



SAN Update
January 28, 2013

Maine Governor Submits Bill to Exempt Sales Tax on Airplane Purchases and Repairs Permanently

Maine Governor Paul LePage recently submitted a bill to the state legislature that would permanently eliminate the five percent sales tax on airplane purchases and aircraft parts and repairs. The state legislature passed similar legislation in 2011 that was presented by State Senator Kevin Raye (R). That legislation took effect July 1, 2011, and exempts taxes on aircraft sales and repairs through 2015. The current legislation boosted the state's aviation industry, according to George Gervais, Commissioner of the Department of Economic and Community Development. Presently, no other New England state taxes aircraft parts and only Vermont taxes the sales of aircraft.

An avid supporter of aviation, Governor LePage recognizes the value of aviation and its impact on jobs, economic activity and investments the industry brings to the pine tree state. Maine's 36 publically owned airports support 1,532 general aviation jobs and contribute \$521 million annually to the state economy. The Maine Department of Transportation reports that the total economic impact of publically owned commercial and general aviation airports in the state is \$1.5 billion, representing 3.3% of Maine's gross state product.

The Maine legislature, currently in session since December 2012, is reviewing the bill, and NATA's State Advocacy Network will support and encourage approval of the measure.