



SAN Update

July 29, 2013

Indiana Tax Exemption Makes State Friendlier to Aviation Business

On July 1, 2013, an Indiana law was passed that exempts aviation fuel and maintenance work on airplanes from the state's 7-percent state sales tax. The exemption replaces the state sales tax on aviation fuel and maintenance with a flat 10 cents-per-gallon excise tax for fuel purchases. The tax cut provides cost savings to operators and allows businesses throughout the state to better compete with neighboring states, which had previously capitalized on Indiana's high taxes.

The legislation is long-awaited in Indiana, and began with the 2012 passage of a tax exemption on the maintenance of foreign-registered aircraft followed by intense lobbying efforts by NATA and other national and state aviation organizations. "We are happy the legislature in Indiana recognizes the importance of general aviation and took the steps to ensure we remain a leader in aviation in our country," stated Andi Montgomery, co-owner of Montgomery Aviation in Zionsville and Indiana volunteer with [NATA's State Advocacy Network](#).

For more information about general aviation in Indiana, click [here](#).