



## Testimony of Paul Strack

### *Ohio Aerospace and Aviation Technology Committee* OAA Aviation Fuel Tax / Airport Funding Proposal

Now that you have an understanding of where we are with aviation funding, I want to briefly discuss the Ohio Aviation Association's proposal. In Ohio, aviation fuel is the only fuel still under the state sales tax. According to the recent ODOT Airports Focus Study, the sale of aviation fuel generates nearly \$16 million per year in revenue. Until recently, less than \$1 million was spent on airports in Ohio. The chart below shows the latest estimates for tax revenue from aviation fuel sales.

Fuel Type	Tax Volume (gal)	Total Sales	Sales Tax
Avgas (100LL)	4 million	\$24.1 million	\$1.3 million
JetA fuel	49.3 million	\$264.7 million	\$14.6 million
<b>TOTAL</b>	<b>53.3 million</b>	<b>\$288.8 million</b>	<b>\$15.9 million</b>

*Source: Ohio Airports Focus Study, 2014*

We propose moving aviation fuel from the state sales tax to a new aviation fuel excise tax, similar in structure to the existing motor vehicle excise tax. We suggest a rate of 18 cents per gallon, which would provide modest tax relief for most aircraft owners and users while limiting any increases for larger purchasers. This tax rate would generate an estimated \$10 million per fiscal year. This new excise tax would not apply to commercial carriers, similar to the current sales tax.

Currently, revenue from the sale of motor fuel and boat fuel is fully directed into roads, highways, marinas, and other transportation infrastructure. This ensures that users are paying for critical maintenance and development. The second part of our proposal would allocate all revenue from the new aviation fuel excise tax for aviation and airport infrastructure. Currently, airports are reliant on GRF appropriations, which can change every two years. This new fund will ensure that airports have access to a reliable funding stream that is driven by aircraft owners and pilots.

Many of our neighboring states have already adopted an excise tax for aviation fuel and also have dedicated state-level funds for aviation improvements. This change will put aviation fuel on par with other fuels in Ohio and ensure that our state remains competitive regionally and statewide.