

DAVID G. ARGALL
29TH SENATORIAL DISTRICT

SCHUYLKILL & PORTIONS OF
BERKS, CARBON, LEHIGH, MONROE
& NORTHAMPTON COUNTIES

SENATE BOX 203029
THE STATE CAPITOL
HARRISBURG, PA 17120-3029
(717) 787-2637
FAX: (717) 783-8657

HAMBURG	(610) 562-3411
MAHANAY CITY	(570) 773-0891
MONROE COUNTY	(570) 402-1499
POTTSVILLE	(570) 621-3400
SLATINGTON	(610) 760-9805
TAMAQUA	(570) 668-1240




Senate of Pennsylvania

COMMITTEES

APPROPRIATIONS
COMMUNITY, ECONOMIC & RECREATIONAL
DEVELOPMENT
URBAN AFFAIRS & HOUSING,
VICE CHAIRMAN
AGING & YOUTH
INTER-GOVERNMENTAL OPERATIONS
JOINT LEGISLATIVE AIR &
WATER POLLUTION CONTROL
& CONSERVATION COMMITTEE

WEBSITE: senatorargall.com
EMAIL: dargall@pasen.gov
TOLL FREE: 1-877-327-4255

JAN 24 2012

TO: All Senators
FROM: Senator Dave Argall 
DATE: January 24, 2012
SUBJECT: Elimination of Fixed Wing Aviation Sales and Use Tax

In the near future I will be introducing legislation that will give Pennsylvania a competitive advantage with regard to the fixed wing aircraft industry. This legislation will provide an exemption from PA Sales and Use Tax for fixed winged aircraft. It will include exemptions for fixed wing aircraft parts, maintenance, repairs and sales.

While this may seem like a minor change, in the past three years alone Pennsylvania has lost the opportunity to be home to at least three fixed wing airplane manufacturers costing us hundreds of jobs.

In October of 2009 Pennsylvania provided a sales and use tax exemption for helicopter sales, parts and maintenance. As a direct result of this change, Sikorsky Aircraft announced that it was moving all commercial helicopter production to Pennsylvania which created an estimated 400 jobs.

In contrast, because this exemption was not extended to fixed winged aircraft, Pennsylvania has lost out on attracting other aviation manufacturers. Embraer, Eclipse and Honda Jet all considered Pennsylvania as potential manufacturing locations; however each one decided to locate in other states due to our current fixed wing tax policy.

The Aviation Council of Pennsylvania reports that the aviation and aerospace industry has the potential to become one of the top five business clusters in the Commonwealth, creating jobs that pay an average of \$50,000 per year. The infrastructure needed is already in place. Our state is in a unique position offering the industry 133 airports, many of which are being underutilized. This exemption will provide the momentum needed to grow this industry within our state and provide good-paying jobs for Pennsylvanians.

If you would like to co-sponsor this legislation, please contact Susan Bentzel in my office at 7-2637 or at sbentzel@pasen.gov.