



January 14, 2020

The Honorable Anne R Kaiser
Chair, Ways and Means Committee
House Office Building Room 131
6 Bladen Street
Annapolis, Maryland 21401

RE: House Bill 16 - Sales and Use Tax - Aircraft Parts and Equipment – Exemption

Dear Madame Chair Kaiser:

We are in favor of HB16 -Aircraft Parts and Equipment – Exemption, as we have seen a huge negative impact of charging sales tax on aircraft parts here in Hagerstown. It is increasingly difficult to attract new businesses here to the Hagerstown Regional Airport (HGR) with all the neighboring states having the tax exemption. We hear the struggle from our existing businesses here on the airfield. They are losing customers to neighboring states and therefore making it difficult to grow the business.

While it is difficult to put an exact number on the fiscal impact to the sales tax revenue, I argue that the impact is very minimal. We have and will continue to lose out on potential revenue because customers choose to get their repair done elsewhere in a neighboring state without sales tax. We also lose potential fuel sales and airport fees when customers are lost to another state.

A sales tax exemption will lead to:

1. Even competition with neighboring states
2. Stimulates business growth
3. Increased jobs
4. Increased revenue from airport fees.

Please consider passing HB16 -Sales and Use Tax – Aircraft Parts and Equipment - Exemption. We are looking forward to the potential growth that this will drive in Maryland. As always, we appreciate your time and consideration of our concerns for Hagerstown Regional Airport (HGR) and Washington County allowing us the opportunity to be more competitive with the neighboring states and so our airfield businesses can continue to succeed.

Regards,

Hagerstown Regional Airport

Garrison Plessinger, Director

*Washington County Department
of Business Development*

Susan J. Small, Director