

February 5, 2024

The Honorable Guy Guzzone
Chair Budget and Taxation Committee
Miller Senate Office Building, 3 West Wing
11 Bladen Street
Annapolis, MD 21401

RE: Senate Bill 574 – Sales and Use Tax Exemption – Aircraft Parts and Equipment – Repeal of Reporting Requirement and Sunset

Dear Chair Guzzone and Distinguished Committee Members,

The Washington County Chamber of Commerce, on behalf of our almost 675 members representing over 40,000 employees, supports SB574, **Sales and Use Tax Exemption – Aircraft Parts and Equipment – Repeal of Reporting Requirement and Sunset**, and we respectfully ask you to vote in support of this legislation.

General aviation repair and maintenance continues to be one of the many industries at our Washington County airport (HGR) that provides quality jobs and supports our local economy. For years, local aviation businesses enjoyed steady growth in sales and employment until 2013, when neighboring states in the North-Atlantic region began exempting sales tax on aircraft parts and Maryland did not. Washington County, in particular, competes in a regional economy and operates at a competitive disadvantage against regional airports in close proximity.

The sales tax exemption for aircraft parts and components that has been in place for the last several years, if allowed to stay in place permanently, will continue to allow Maryland's repair stations to compete on a level playing field, attract business back into the State, support expansion of existing General Aviation repair and installation businesses, and grow employment in the aviation sector. The minimal decrease in Maryland's sales and use tax revenue from aircraft parts sales during the last several years, has been more than offset by the resulting increases in business tax revenues and personal income tax collections resulting from new aviation related jobs.

Again, the Washington County Chamber of Commerce, on behalf of our almost 675 members representing over 40,000 employees, supports SB574, **Sales and Use Tax Exemption – Aircraft Parts and Equipment – Repeal of Reporting Requirement and Sunset**, and we respectfully ask you to vote in support of this legislation.

Please contact me at 301-739-2015, ext. 102, should you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Paul Frey". The signature is written in a cursive style with a large initial "P" and a long, sweeping underline.

Paul Frey, IOM
President & CEO