



February 6, 2024

The Honorable Vanessa Atterbeary
Chair, Ways and Means Committee
House Office Building Room 131
6 Bladen Street
Annapolis, MD 21401

RE: House Bill 557 - Sales and Use Tax Exemption - Aircraft Parts and Equipment - Repeal of Reporting Requirement and Sunset

Dear Madam Chair and Distinguished Committee Members,

The Washington County Department of Business and Economic Development, supporting the private business industries of our community, would like to express our strong support for HB557 – Sales and Use Tax Exemption - Aircraft Parts and Equipment.

Maryland's unique geographic location can sometimes be a hinderance to our economic development opportunities being situated between neighboring strong economic policy states. Acutely, Washington County itself experiences and even greater degree of competition from our neighbors literally being only 12 miles wide North to South in our community.

Unfortunately, in the aviation industry, this is compounded to the tenth degree. It takes only moments and pennies of fuel to fly over Washington County to a neighboring state in order to address aviation repair or maintenance needs. This puts our aviation industry at a competitive disadvantage which cannot be outweighed by any incentive or local offset. Luckily, with the support of your Legislature in 2020 we were able to level that playing field.

I was surprised to see this exemption sunseting already, time does fly. I strongly urge you to support the repeal of this sunset clause and ensure that Maryland's aviation industry can compete directly with Pennsylvania, West Virginia, and Virginia. We have the Pittsburgh Institute of Aeronautics educating and training some of the nation's finest aircraft maintenance technicians, let's all try to keep them in the State of Maryland and more specifically Washington County when they graduate and seek employment. To do that we must ensure our tax policy does not negatively impact our private business' ability to compete for this lucrative revenue.

With the support of this tax exemption we can ensure that our local regional airport, HGR, continues to attract MRO operations and grow their existing business base. **Each year, HGR's tenant businesses contribute some \$300-\$350 million in annual impact to our local and state economies.**

Sincerely,

Jonathan Horowitz, Director, Washington County Department of Business and Economic

Development

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