



1 SOUTH POTOMAC STREET, HAGERSTOWN, MD 21740

January 13, 2020

The Honorable Guy Guzzone
Chair Budget and Taxation Committee
Miller Senate Office Building, 3 West Wing
11 Bladen Street
Annapolis, MD 21401-1991

RE: Senate Bill 121 - Sales and Use Tax - Aircraft Parts and Equipment - Exemption

Dear Chairman Guzzone and Distinguished Committee Members,

The Washington County Chamber of Commerce, on behalf of our almost 600 members representing over 40,000 employees, supports SB121, **Sales and Use Tax – Aircraft Parts and Equipment – Exemption**, and we respectfully ask you to vote in support of this legislation.

General aviation repair and maintenance is 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.

Sales tax exemption for aircraft parts and components will 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 will be 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 600 members representing over 40,000 employees, supports SB121, **Sales and Use Tax – Aircraft Parts and Equipment – Exemption**, 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".

Paul Frey, IOM
President & CEO