



*John Calcagno*  
*Chief Financial Officer*

March 20, 2019

Senator George B. Gainer  
Chair, Committee on Finance and Tax  
The Florida Senate  
302 Senate Building  
404 South Monroe Street  
Tallahassee, FL 32399-1100

Dear Senator Gainer,

On behalf of Piper Aircraft, Inc. and our nearly 1,000 employees in Florida, we strongly support Senate Bill 580 that would reduce the state sales and use tax on aircraft from 6 to 4 percent - making us more competitive with nearby states. Florida is surrounded by states with either lower aircraft sales tax rates, or caps on total aircraft sales tax due. For example, South Carolina has a \$500 maximum cap on aircraft sales tax while Alabama has a 2% tax rate.

Since aircraft are highly mobile, many Piper customers elect to complete business aircraft transactions out of state and don't have incentives to base aircraft in Florida. This results in aviation jobs and revenue leaving the state, simply because our aircraft sales tax laws are not competitive. Passage of Senate Bill 580 is an important first step to keeping aviation dollars and jobs in Florida.

According to a study by the New York State Department of Transportation, one new business aircraft moving to a state generates \$1 million in spending and five direct jobs. In addition, after New York implemented an aircraft sales tax exemption in 2015, business aircraft traffic increased by nearly 40%. Finally, in Massachusetts, the number of based aircraft significantly increased after the state implemented sales tax exemption for aircraft.

These examples demonstrate that tax policies designed to promote aviation lead to increased economic activity and job growth. Piper has already made significant investments in Vero Beach to support our customers, and we plan to build on that as business aviation expands. For example, in 2018, our aircraft deliveries increased by 48% and we currently have a backlog of nearly 700 aircraft orders.

As the Committee on Finance and Tax begins to consider legislation, we respectfully request that you hear Senate Bill 580 and issue a favorable recommendation to move this important legislation forward.

Sincerely,

A handwritten signature in blue ink that reads "John J. Calcagno".

John Calcagno, CPA, CFO