



March 14, 2024

The Honorable Ron Wyden
Chairman
Committee on Finance
United States Senate
Washington, D.C. 20510

The Honorable Mike Crapo
Ranking Member
Committee on Finance
United States Senate
Washington, D.C. 20510

The Honorable Jason Smith
Chairman
Committee on Ways and Means
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Richard Neal
Ranking Member
Committee on Ways and Means
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Wyden, Ranking Member Crapo, Chairman Smith and Ranking Member Neal,

We are writing to share our opposition to the policy proposals in the Biden Administration’s Fiscal Year 2025 Budget and other regulatory proposals that single out general and business aviation for onerous treatment. These proposals would be harmful to an essential American industry and the jobs and communities that depend on it.

Collectively we represent thousands of workers, businesses, and operators in the general aviation sector that contribute nearly \$250 billion to the nation’s GDP and 1.2 million American jobs, including skilled labor positions.

According to a 2018 [Harris Poll](#), 85% of companies relying on an airplane to meet their transportation challenges are small and mid-size enterprises. The passengers aboard a business airplane are typically technicians, mid-level managers and customers, not C-suite executives. These businesses are committed to full compliance with tax laws and applicable Securities and Exchange Commission rules related to aircraft purchase and use. We support their efforts and believe any process to consider changes in laws or regulations should be transparent and collaborative with stakeholders.

Business aviation allows companies to optimize efficiency, productivity, and flexibility and to access hard-to-reach communities across the country, with 80% percent of business flights to and from small towns and communities with little or no airline service. Many flights conducted by business airplanes are also used for humanitarian missions, including those that transport doctors and other first responders to people in need. In fact, pilots and companies utilize general aviation to fly 5,000 humanitarian missions annually.

The President's FY2025 Budget proposes a draconian five-fold tax increase on such flights that lacks supporting data to justify the change and fails to reflect that most of the costs of the national airspace system are driven by the requirements built into the commercial airlines' hub-and spoke network.

The Administration also appears to justify the tax increase based on a recent National Airspace System Safety Review Team report provided to the FAA. But that report does not recommend a fuel tax increase on general and business aviation – it simply says that there should be consideration given to how the aviation landscape has changed in recent years and will evolve with new entrants into the aviation system.

In addition, the President's FY2025 Budget also proposes to modify a perceived special tax break by changing the depreciation schedule on purchased aircraft from five to seven years to match it to the depreciation schedule of commercial airline aircraft. It is incongruous to compare the extensive aircraft fleet owned by a commercial airline and offered to the full marketplace for commercial service to the one or two planes owned by a company of a different industry with a different business model.

The five-year depreciation period for non-commercial aircraft results from the general statutory rule enacted in 1986 that assigns a five-year period for any assets with a class life of six to nine years. The same five-year cost recovery rule applies to many other assets and is a logical way to group assets alongside other transportation equipment used for the direct benefit of the owners themselves.

Reclassifying non-commercial aircraft without a broader look at all depreciation rules lacks valid policy rationale, would upset decades of sound legal precedent, and would negatively impact American businesses' access to capital, job creation, and growth opportunity.

The policy and regulatory proposals from the Administration do nothing more than harm demand for state-of-the-art aircraft that are called 'business jets' or 'corporate jets' for a specific reason. These vehicles facilitate efficient mobility for businesses to create jobs throughout our nation, particularly in communities underserved by commercial service. The industry fosters and provides critical transportation options to companies and organizations of all kinds and sizes, including nonprofits, agriculture, emergency response, forest fire suppression, law enforcement, humanitarian services, and government agencies.

The general and business aviation industry has also been an innovation incubator for the entire aviation sector whether through implementing safety or efficiency improvements or being first adopters in the use of Sustainable Aviation Fuel. The health and livelihood of our industry is dependent on having an effective, reliable, and conducive regulatory and business environment. The Administration tax proposals go in the wrong direction.

Rather than ill-considered tax proposals and related regulatory changes, we urge Congress to partner with the business aviation community, which is leading the way in developing new and innovative safety and environmental technologies, connecting communities, creating jobs, and benefiting American businesses of all sizes.

Sincerely,

Aircraft Owners and Pilots Association
Experimental Aircraft Association
General Aviation Manufacturers Association
International Association of Machinists and Aerospace Workers
National Air Transportation Association
National Business Aviation Association
NetJets Association of Shared Aircraft Pilots
Vertical Aviation International

CC: Members of the U.S. House of Representatives
Members of the United States Senate