

Department of Planning and Budget 2018 Fiscal Impact Statement

1. **Bill Number:** SB213

House of Origin Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. **Patron:** Cosgrove

3. **Committee:** Passed Both Houses

4. **Title:** Public aircraft; definition

5. **Summary:** This bill provides that the definition of "public aircraft" includes any fighter or attack jet, defined in the bill, that is leased or owned by a private entity, provided that the aircraft operations are conducted exclusively for the purpose of military combat training in service to the federal government. The bill has an expiration date of September 1, 2023.

6. **Budget Amendment Necessary:** No.

7. **Fiscal Impact Estimates:** Final. See Item #8.

8. **Fiscal Implications:** Under current law, civil aircraft based in the Commonwealth for more than sixty days during any twelve-month period are subject to registration with the Department of Aviation (DOAV). The Aircraft Sales and Use Tax (ASUT) is imposed at the rate of two percent on the retail sale of every aircraft either sold in Virginia or used in Virginia and subject to licensure by DOAV. The ASUT is deposited in the Aviation Special Fund for the administration of aviation laws by DOAV, for the security, maintenance, and improvement of airports and landing fields, and for the promotion of aviation, as well as to support operation of the agency.

This bill includes "fighter or attack jets" in the definition of "public aircraft" for purposes of Title 5.1 and would therefore exclude such aircraft from the ASUT. The bill would have an unknown negative nongeneral fund revenue impact. It is unknown how many aircraft will be sold or used in the Commonwealth for airborne training of military aircrews. The value of fighter or attack jets can range from a few hundred thousand dollars to several million dollars, depending on a multitude of factors. Foregoing ASUT revenue from fighter or attack jets would reduce revenues to the Aviation Special Fund.

The Department of Taxation considers implementation of this bill as routine and does not require additional funding.

9. **Specific Agency or Political Subdivisions Affected:** Department of Taxation, Department of Aviation.

10. **Technical Amendment Necessary:** No.

11. Other Comments: This bill is a companion to HB 799.

Date: 2/26/2018

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cc: Secretary of Transportation