

Department of Planning and Budget 2018 Fiscal Impact Statement

1. Bill Number: SB213

House of Origin	<input checked="" type="checkbox"/>	Introduced	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Engrossed
Second House	<input type="checkbox"/>	In Committee	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Enrolled

2. Patron: Cosgrove

3. Committee: Transportation

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 such aircraft is used exclusively for military combat training in service to the federal government. The bill specifies that no fighter or attack jet that is leased or purchased by a private entity and is used exclusively for military combat training in service to the federal government beginning September 1, 2010, shall be treated as a civil aircraft for purposes of Title 5.1 (Aviation). The bill has an expiration date of September 1, 2023.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary. 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 would have an unknown negative nongeneral fund revenue impact. It is unknown how many aircraft have been 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 million-dollar 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: None.

Date: 1/24/2018

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cc: Secretary of Transportation