

June 22, 2016

Senator Paul Sarlo
Deputy Majority Leader
New Jersey Senate
State House Box 099
Trenton, NJ 08625-0099

Senator Steven Oroho
New Jersey Senate
State House Box 099
Trenton, NJ 08625-0099

Dear Senators Sarlo and Oroho:

The National Business Aviation Association (NBAA) is the leading organization for companies that rely on general aviation (GA) aircraft to help make their businesses more efficient, productive and successful. The Association represents the interests of over 10,000 companies, including 250 member companies in New Jersey. The purpose of this letter is to express our concern about the significant aviation fuel tax increase proposed in Senate bill 2411.

Under the proposal, aviation fuel tax rates would nearly triple, and New Jersey would have one of the ten highest rates in the country. For a state that derives more than 16,000 jobs and over \$3 billion in economic output from GA, a nearly tripling of the fuel tax rate will make New Jersey significantly less competitive.

One prime example of how GA powers the New Jersey economy is Teterboro airport, which handled nearly 170,000 aircraft movements in 2015. Teterboro is also home to six businesses that primarily fuel and service aircraft, and employ hundreds of New Jersey residents. Senate bill 2411 will have a negative impact on these businesses as the significant fuel tax increases are likely to decrease fuel purchases and revenue.

In addition to Teterboro, the state has 42 other public use airports, all of which generate significant revenue from aviation fuel sales and will be harmed by this bill. NBAA understands the need to seek funding sources for airport improvements and we applaud New Jersey for its strong network of GA airports. However, the proposed tax increases in Senate bill 2411 have not been fully evaluated to determine the impact on all stakeholders.

With the significant number of jobs and economic impact tied to GA airports, we are hopeful that additional discussions on a more reasonable or incremental approach to raising revenue for airport improvements can be discussed.

Thank you for your consideration of this important matter. Please contact me at (202) 783-9451 or sobrien@nbaa.org should you have additional questions or need further information.

Best Regards,



Scott O'Brien
Senior Manager, Finance & Tax Policy