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FOR IMMEDIATE RELEASE

Airport director addresses House about aviation fuel tax amendment

February 15, 2018 – Flagler Executive Airport Director Roy Sieger on Wednesday addressed the House Ways and Means Committee about an amendment to the aviation fuel tax statute that would create a major disadvantage for general aviation airports, like Flagler’s, working to fund capital projects.

Florida airports in 2016 agreed to a “revenue neutral” change that would reduce the excise tax to 4.27 cents per gallon, effective July 1, 2019. The proposed amendment – PCB WMC 18-03 a8 – would further reduce the sales tax on aviation fuel to 2.85 cents per gallon.

“We don’t even know what effect the 4.27 cent sales tax is going to have on airports, let alone a further reduction,” Sieger said to the committee. “All of the aviation fuel sales tax monies go into the state trust fund, and then they are distributed based on demand. Commercial airports get the lion’s share, as it should be, because their demand is greater.”

The effect of the reduction to the Flagler Executive Airport is that there will be less money available from the trust fund once those airports with greater needs get their share. However, the airlines are the catalyst for this tax reduction, as they receive a direct benefit when airport capital projects are completed.

“We’ve been able to complete several projects a year,” Sieger said. “This proposal means that we might have to scale back to maybe one project a year.”

Since 2009, the Flagler Executive Airport has completed 38 projects totaling \$35.6 million. The latest project was the relocation of Runway 11-29.

The new 5,500-foot runway (100 feet wide) is the single largest project undertaken at the airport at a cost of \$12.2 million. Of that, the Florida Department of Transportation paid \$2.72 million

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from the state trust fund. The Federal Aviation Administration paid \$9.33 million. The remaining \$128,934 was paid from the Flagler Executive Airport Enterprise Fund.

Airports, seaports, rail and spaceports are allotted only 15 percent of the total Florida Department of Transportation trust fund, Sieger told the representatives.

“Airlines come to Florida because people come to Florida,” Sieger said. “Decreasing the aviation fuel tax won’t make airlines more competitive.”

The House Ways and Means Committee approved the amendment, which means it will go to the Senate next week. Sieger will travel back to Tallahassee to speak before the Senate.

“We are fortunate to have people on our staff like Roy Sieger, who can represent Flagler County in Tallahassee to safeguard our best interests,” said County Administrator Craig Coffey.

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