

*Subsection 7.4: Resolution D – Aviation*

On December 13, 2016, the Governor’s Task Force on Transportation unanimously adopted the following resolution, recommending an increase in revenue to fund capital projects through the State’s Airport Construction and Development Program by increasing the sales and use tax on aviation fuel:

*WHEREAS, attendees of regional meetings expressed support for increasing the State’s investment in multimodal transportation to better integrate and leverage Louisiana’s transportation system; and*

*WHEREAS, aviation is an important mode of transportation in Louisiana, the expansion of which provides improved mobility and connectivity that supports and promotes the development of commerce; and*

*WHEREAS, the State’s Airport Construction and Development Program supports airport expansion by competitively awarding grants for capital projects in Louisiana, and is funded by a 4 percent sales and use tax on aviation fuel that generates approximately \$28 million annually; and*

*WHEREAS, annual revenue for the State’s Airport Construction and Development Program is insufficient to meet the needs of the aviation industry, as evidenced by the current \$66 million in unmet short-term needs and the Louisiana Statewide Transportation Plan’s anticipated approximate \$3.5 billion in long-term needs; and*

*WHEREAS, the Louisiana Airport Managers and Associates (LAMA), representing a broad range of aviation stakeholders concerned with both commercial and general aviation airports across the State of Louisiana, adopted a resolution and appeared before the Task Force to support an increase in the sales and use tax on aviation fuel; and*

*WHEREAS, the Task Force has determined an increase in the sales and use tax on aviation fuel to be the appropriate mechanism for increasing the State’s investment in support of aviation as a crucial mode of transportation.*

*THEREFORE BE IT RESOLVED, to aid in addressing the short- and long-term needs of the aviation industry in Louisiana, the Governor’s Task Force on Transportation Infrastructure Investment does hereby recommend increasing revenue to fund capital projects through the State’s Airport Construction and Development Program by increasing the sales and use tax on aviation fuel; and*

*BE IT FURTHER RESOLVED, a copy of this resolution and additional information supporting the findings contained herein shall be included in the submission to the Governor by January 1, 2017.*

As it relates to means of financing for DOTD's various multimodal programs, aviation is unique. Unlike other modes of transportation, the aviation program's operating and capital budget is funded based on a 4 cent sales tax on aviation fuel. The 4 cents on aviation fuel was estimated to equate to \$28 million annually, which is remitted to DOTD each year as TTF. DOTD spends this amount, not more or less, each year on the aviation program. As a result of this unique source of funding, the Task Force deemed it appropriate to act through a resolution that pertains only to aviation. More specifically, this separate funding stream for aviation has worked well, and the Task Force does not recommend altering its sole source of financing.

If acted upon, this resolution positions Louisiana to expand upon the successful dedication of sales tax revenue on aviation fuel to capital projects at airports around the State. Financing capital projects at airports is the appropriate way for the State to assist the industry, delivering enhancements that make Louisiana's airports more competitive. If action is not taken, capital projects at airports around the State will continue to be delayed placing the State's airports at a competitive disadvantage.