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Colorado Aviation Business Association: Tax Exemption Passage A Win for Colorado's On-Demand Air Carriers and the State's Economy

Denver, CO – May 8, 2018 – The Colorado Aviation Business Association (CABA) announces its House Bill 18-1083, a sales and use tax exemption for Colorado on-demand air carriers, was approved in a final Senate vote on Friday, May 4, 2018. The legislation now proceeds to the desk of Governor John Hickenlooper for his signature, and will go into effect on January 1, 2019.

The bill was initiated and crafted by CABA's Legislative Affairs Committee and introduced in the Colorado House of Representatives on January 19, 2018. It exempts from state sales and use tax the purchase, storage, use, or consumption of aircraft when that aircraft is purchased or leased by a Colorado-based on-demand air carrier.

The bill's approval, representing an eighteen-month effort, is anticipated to enable more aircraft to be placed into on-demand service in Colorado. A survey conducted by CABA of on-demand air carriers around the state revealed that each additional aircraft placed into service creates an average of slightly more than five jobs to support its operation. Since the tax exemption makes it more feasible for on-demand operators to add aircraft or to update their fleet with newer aircraft, the bill is likely to generate new jobs and enhance the state's economy.

Rural communities throughout Colorado also stand to benefit from a higher level of service, because providers such as medical transport rely on on-demand carriers for access to communities without commercial airline service.

CABA Vice Chairman Chris Swathwood, who led the Legislative Affairs committee in bringing the bill forward, said, "We are extremely pleased with the bill's passage, and we're grateful to the sponsors and co-sponsors who assisted by introducing it and getting it passed. This will benefit

not only Colorado’s on-demand air carriers by enabling them to acquire more aircraft, but also the state’s economy through the creation of new, well-paying jobs.” Swathwood went on to point out, “It’s important to remember that of the seventy-four airports in Colorado, only fourteen have scheduled air service. Passage of this legislation assures that vital air transport will remain readily available at the remaining sixty airports, and particularly those in rural areas which depend on on-demand air service.”

Kandi Spangler, CABA Chairwoman, said, “This is a great accomplishment and a big win for Colorado’s aviation industry as well as the economy. We’re very proud of the efforts put forth by our Legislative Affairs committee, who spent many hours and days at the Capitol meeting with lawmakers and explaining to them how the bill will benefit Colorado.” Spangler added, “CABA is also very thankful to those who supported this effort through their contributions and in the Capitol. We will continue to actively identify and pursue those legislative initiatives that will benefit our members, as we remain committed to supporting and promoting general and business aviation in the state of Colorado.”

The full text of HB 18-1083 can be viewed on the CABA website at www.mycaba.org/blog.

Note to Editors:

The mission of the Colorado Aviation Business Association is to promote the value of business and general aviation across the State of Colorado.

Founded in 1994, the Colorado Aviation Business Association consists of over 300 businesses and individual members who live and work within the State of Colorado. CABA acts to collectively address and respond to issues impacting Colorado Airports including safety and operational effectiveness; to educate the general public about all aviation activities in the state; to preserve the state's airport related businesses as valuable economic assets to the community at large; and to provide for the training of future aviation professionals through the CABA Foundation’s scholarship fund. CABA is a 501(c)(6) non-profit corporation, and the CABA Foundation is a 501(c)(3) non-profit, tax-exempt corporation. FMI visit: www.mycaba.org.

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