

From: Scott Ashton [scott.ashton@gamagroup.com]
Sent: Monday, March 14, 2011 5:13 PM
To: Ben.Barnes@Ct.gov
Cc: Sen. Frantz, Scott; FinanceRB; zRepresentative Bill Wadsworth
Subject: HB6387 - Impact of Aircraft Taxes on Jobs in CT

Importance: High

Secretary Barnes,

As vice chair of CT Business Aviation Group and head of sales for Gama Aviation, an aircraft services company in Stratford, I have been actively involved in the issues surrounding the proposed implementation of property taxes on Aircraft in the State of CT.

There has been a lot of discussion regarding the impact of these taxes and the ability of clients to move aircraft from CT, and whether or not that would actually occur and what the ensuing job losses would be if that does occur.

I'd like to share with you a phone conversation I had just moments ago with a potential client in Upstate New York. He is purchasing a brand new turboprop aircraft for \$5,000,000. Although he lives in upstate New York, we were discussing basing the aircraft at our headquarters in CT due to the favorable tax treatment here - the result would be over \$750,000 of revenue to my company, service fees to the airport, and up to four additional jobs in the state of CT.

The tax differential currently makes it worthwhile for that client to have the aircraft here in CT and for us to ferry the aircraft to his location when he needs it, rather than pay the NY property taxes.

We then discussed the proposed property tax here in CT, along with the current registration fee. Because of the prospect of those taxes, they will now likely decide to base the aircraft near his location and pay the tax there and forgo the ferry costs instead of basing the aircraft here CT, paying the CT taxes and also incurring the ferry costs. Even if the current tax situation remains in place, it's likely that I won't have another opportunity with this client.

Secretary Barnes, this is not a theoretical economics exercise. This is already costing CT the potential revenue and jobs from future business opportunities, and is taking what was a competitive advantage for our company and turning it into substantial disadvantage.

Since I just had this conversation, I wanted to share with you some real-time input from the field as to the impact these proposals are having.

Best wishes,
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