

## Aviation Dedicated Funding

- Dedicate existing sales tax collected from aircraft annual sales (\$3.2 million) and excise tax dollars on aviation fuel (\$1.5 million) into a dedicated aviation fund for capital projects.
- Fund would pay state's historical share of FAA projects (90% federal, 5% state, 5% airport). INDOT lowered state match to 4% and 2.5% over next two years because the amount of funds appropriated were inadequate to match the state share at their historical participation levels.
- Funds not needed for state match of FAA program would **match local airport dollars** for projects that do not receive federal funds. INDOT will re-establish State/Local program to administer funds and projects.
- Dedication of aviation generated taxes is included in the Blue Ribbon Panel on Transportation Infrastructure recommendations and in the Indiana Chamber of Commerce and Conexus Indiana Logistics Council policy statements.
- No new taxes.

## Benefits of Aviation Dedicated Funding

- Additional federal dollars can be leveraged by using state dollars to fund up-front costs to allow projects to better compete against airport projects in other states for discretionary FAA funding. These costs can later be reimbursed with 90% federal funds.
- Airport improvements that generate revenue (fuel farms, hangars) typically do not receive federal funding. By funding these capital developments, airports will be able to increase revenues for airport operations.
- State would have flexibility to fund airport improvements that improve Indiana's economy. Current state funds can **only** be expended to match FAA projects and FAA's funding priority system does not look at job creation.
- Many airport projects are broken up to spread the cost over several years because of a lack of and uncertainty of funds which increases the cost of the project. By having a dedicated funding source, INDOT and airports can better manage projects and lower costs of projects.

## Return for the State

- **Boosting the economy and job market:** Indiana's airports provide Hoosier businesses with access to current and potential customers all over the country. Conexus Indiana, INDOT, and AAI estimate that Indiana airports support more than 69,000 Hoosier jobs, \$4.1 billion in payroll, and \$14.1 billion in economic output. As companies like GE Aviation, Alcoa and Rolls Royce make additional investment in the state, we need to continue to invest in our aviation infrastructure.
- **Getting and retaining top talent** Indiana is home to some of the best flight training, aviation technology and engineering, maintenance, and management programs. Additional investment in aviation programs will encourage graduates from Rose-Hulman, Purdue, Notre Dame, Indiana State, Vincennes, Ivy Tech and Embry-Riddle to live and work in Indiana, contributing to the economic growth within the state.