

Washington State
**AVIATION
ALLIANCE**



Mission

Purpose

Background

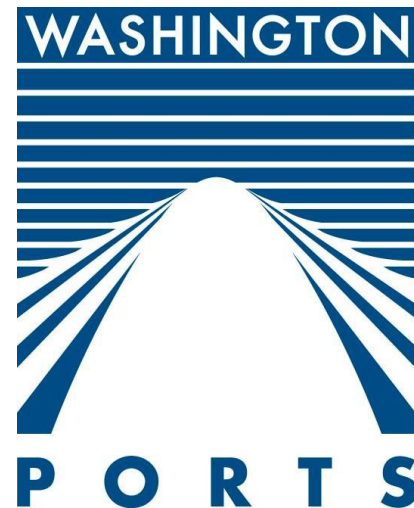
Membership

Making the Case for Airport Revenue

HST/PPT Update

HST = Hazardous Substance Tax

PPT = Petroleum Products Tax



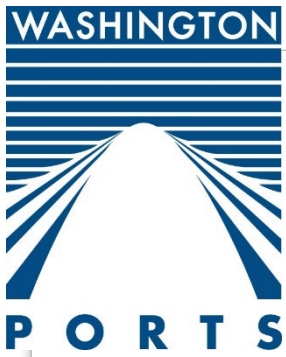
WPPA Annual Meeting – December 7, 2022

Warren Hendrickson/Port of Olympia



Mission

The Washington State Aviation Alliance serves as a collective voice for aviation and airport-related organizations to protect and promote aviation in the State of Washington.



"Innovative leadership in state aeronautics"



INVESTMENT NEEDS IN WASHINGTON

The 2015 Airport Investment Study reported that public use airports will need approximately \$3.6 billion in preservation and capital project funds through 2034. WSDOT's share of the overall program needs is \$240 million. Based on funding forecasts, WSDOT's Airport Aid Grant Program will be able to contribute \$1.4 million annually over the next 20 years, resulting in **an average annual shortfall of more than \$12 million.**

Washington Aviation Economic Impact Study Final Technical Report

July 2020

Washington State Department of Transportation
Aviation Division

(Ref: **Page 15**
AEIS Executive Summary)



Washington State Department of Transportation
Aviation Division

"Innovative leadership in state aeronautics"

Prepared by
Kimley»Horn

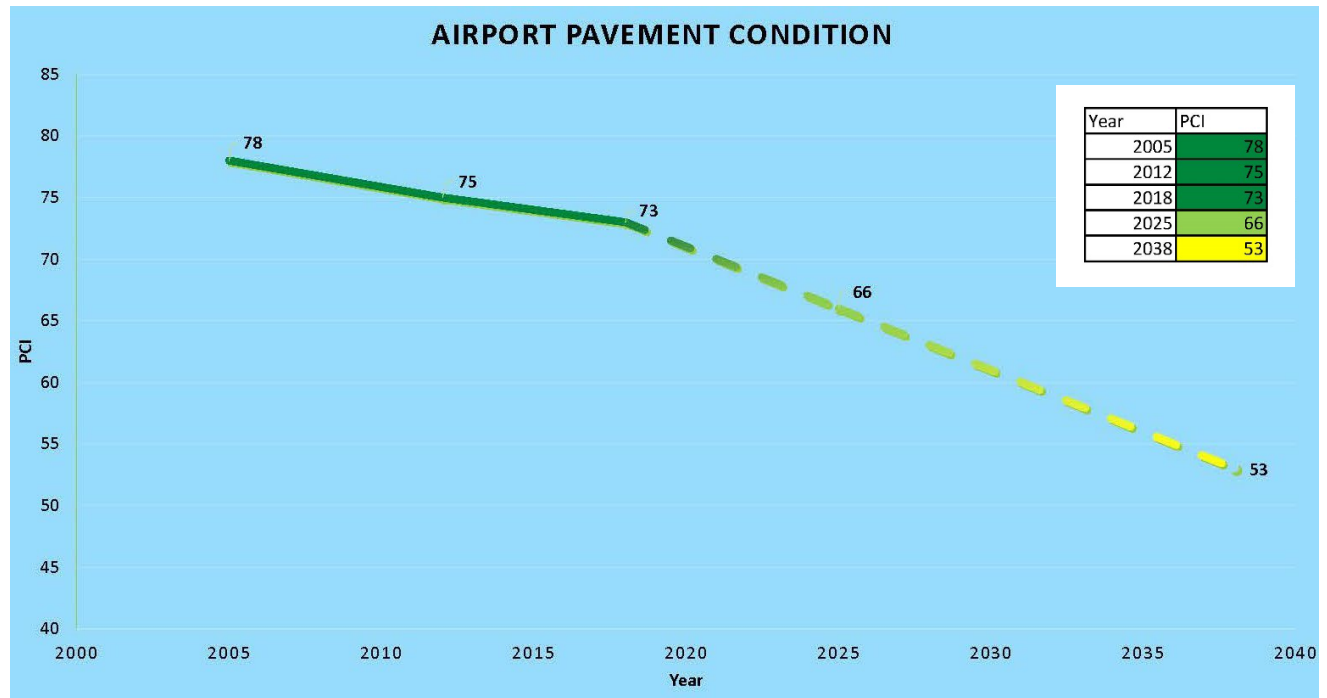
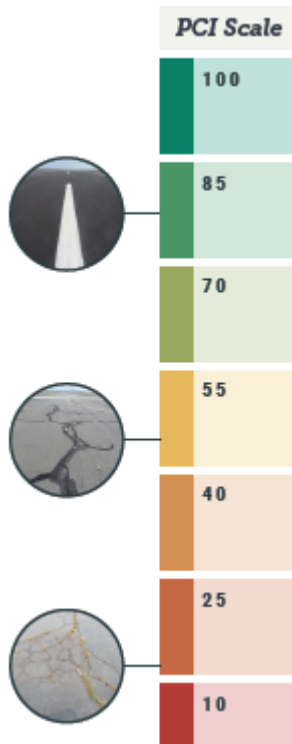


Washington State ranks LAST in the Northwest Mountain Region in funding per airport

State	Public Use Airports	Airport Funding From State	Funding per Airport
Wyoming	41	\$8,500,000	\$207,317
Colorado	76	\$8,000,000	\$105,263
Utah	46	\$3,000,000	\$65,217
Texas	396	\$18,100,000	\$45,707
Oregon	99	\$2,700,000	\$27,273
Indiana	107	\$2,400,000	\$22,430
Montana	123	\$2,000,000	\$16,260
Idaho *	99	\$1,500,000	\$15,152
Washington	135	\$1,300,000	\$9,630

* Includes 31 backcountry Airports

Washington Airport Pavement Management System 2018 Executive Summary



At current funding levels...



HST/PPT Update

FAA Policy and Procedures Concerning the Use of Airport Revenue; Proceeds From Taxes on Aviation Fuel

“...State taxes on aviation fuel (imposed by either an airport sponsor or a non-sponsor) are subject to use either for a State aviation program or for airport-related purposes...”

“...The policy amendment applies prospectively to use of proceeds from...new taxes...not...in effect on December 30, 1987...”

Federal Register, November 7, 2014



Washington State Federal Policy Compliance Level

- ✓ 1. Aircraft fuel excise tax (RCW 82.42.020) 100% = Aeronautics Account
- ✓ 2. State retail sales / use tax (6.5% of retail price - pre-1987)
- ✗ 3. Hazardous Substance Tax (HST: \$1.09 / bbl = \$.026 per gallon)
- ✗ 4. Petroleum Products Tax (PPT: 0.3% of wholesale value)
- ✗ 5. Local sales / use taxes (25 different taxes by local jurisdictions)

✓ = FAA Compliant

✗ = **FAA Non-compliant**

2022 Legislation: Move Ahead Washington SB 5974

- Prior to SB 5974: Aviation fuel tax 11 cents per gallon
- After SB 5974: Aviation fuel tax 18 cents per gallon
- \$1.56 million additional funds each year for 25 years
- 100% of revenue directed to Aeronautics Account
- \$2.7-3.0 million total funding available per year

Aviation Funding Lost Due To Non-Compliance

➤ HST:	\$13,480,215	(2018)
➤ PPT:	\$ 973,000	(2018)
➤ Local sales/use taxes:	\$ 5,748,810	(2016)
➤ Total:	\$20,202,025	

Next Steps

- Department of Revenue will begin tracking aviation HST/PPT revenue in 2023
- Path and timeline to redirect that revenue to Aeronautics Account remains unknown
- WSDOT Aviation will institute revised grant assurances to capture local sales/use taxes

Is This Acceptable???

What Are Our Options???

Summary

- **Need is still there.**
- **Funding already exists, with no new taxes.**
- **Missing ingredient: Political will.**



HST/PPT Update

Questions?

Thank you!

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