

DISTRIBUTION OF AVIATION FUEL SALES TAX

WASHINGTON STATE has **135 airports** that contribute over **\$540 million** in tax revenues annually, and are responsible for **248,500 jobs**, supporting the state economy.

According to a 2014 WSDOT study, funding for maintaining and updating these airports is **underfunded by \$3.56 billion over the next 20 years**. In 2018, a pavement condition study showed the overall condition of Washington state airports continues to decline, with 26% of pavement needing major rehabilitation or reconstruction.

The state's share of this funding is over **\$241 million** (\$24 million per biennium). Estimated available state funding over those same 20 years may total only **\$2.8 million** per biennium.



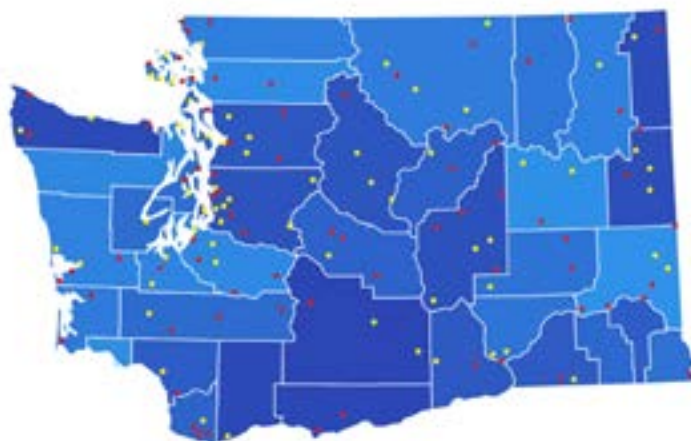
The state is expected to contribute **\$241 million** over 20 years, (\$24 million per biennium).



The bill proposes a reallocation of up to 1% of the aviation fuel tax to reduce that amount through strategic use of funds to qualify for federal match and increase local tax revenue.

HB 1457

SEEKS TO REDUCE THE INFRASTRUCTURE FUNDING GAP BY REALLOCATING UP TO **1% OF THE AVIATION FUEL SALES TAX** FROM THE GENERAL FUND FOR AIRPORT MAINTENANCE AND UPDATES.



Increases opportunities for rural economic development through airport enhancements



Leverages **\$134.1 million** (biennially) in Federal Aviation Administration (FAA) grant funding



Results in **\$152.2 million** (biennially) for much-needed airport preservation and safety projects (when combined with local matching and federal grant dollars)



Returns **\$10.6 million** (biennially) in revenue **to the state's general fund** (sales and B&O taxes), more than the original amount reallocated



Enables funding for air cargo development, changes in airport infrastructure to support emerging technology, such as electric aircraft, and future loan funding

ORGANIZATIONS IN SUPPORT



THIS PLAN IS BUILT ON A SUCCESSFUL MODEL

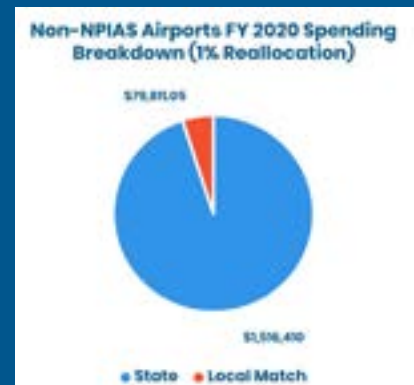
2015 AIRCRAFT EXCISE TAX REALLOCATION RESULTS

- ✈️ 2015's Aircraft Excise Tax reallocation resulted in 24 additional airport projects being funded, created more jobs, more investment in airport projects and a higher amount returned to the general fund than projected.
- ✈️ However, WSDOT was still unable to provide half the total matching grant funds required for airports to leverage federal match funds for projects.



BENEFITS OF HB 1457: REDUCES FUNDING GAP & INCREASES RETURN TO THE GENERAL FUND

- ✈️ These funds will be used to leverage additional Federal Aviation Administration Airport Improvement Program (AIP) grants at a 90/10 federal-local split.



- ✈️ The reallocation would result in increased revenue to the general fund due to the increased collection of sales and B&O taxes that result from the aviation infrastructure projects themselves.

