

HB 3551 STAFF MEASURE SUMMARY

Joint Committee On Transportation

Prepared By: Patrick Brennan, LPRO Analyst

Meeting Dates: 4/4, 5/9

WHAT THE MEASURE DOES:

Increases the maximum weight cutoff for eligibility of aircraft for 60 percent valuation for purpose of property taxation of mobile property of air transportation companies. Takes effect on 91st day following adjournment sine die.

NOTE - Legislative Revenue Office requests referral to the House Revenue Committee

FIS: Minimal fiscal impact

RIS: "Revenue Lite" hall pass statement issued

ISSUES DISCUSSED:

- Role of tax reduction in maintaining commercial air service to smaller communities
- Newer planes are heavier

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Oregon has a number of commercial air service providers, operating out of a limited number of locations throughout the state. Smaller communities sometimes struggle to maintain commercial air service. One tool used to help maintain that service is a tax reduction provided to commercial air companies through a 40 percent reduction on assessed property value of the company's smaller aircraft, defined as having a gross taxi weight of 75,000 pounds or less.