

**HB 3551 STAFF MEASURE SUMMARY**

**House Committee On Revenue**

---

**Prepared By:** Beau Olen, Economist

**Meeting Dates:** 5/31

---

**WHAT THE MEASURE DOES:**

Increases the maximum weight cutoff for aircraft of an air transportation company to be eligible for 60% valuation for property taxation purposes from 75,000 pounds to 90,000 pounds. Takes effect 91st day after sine die.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

Aircraft that weigh less than 75,000 pounds and are owned by air transportation companies are taxed on 60 percent of the property value which would otherwise be taxed. Transportation company aircraft weighing 75,000 pounds or more are taxed on 100 percent of the property value and are centrally assessed by the Department of Revenue in proportion to the company's business in Oregon.

According to the 2023-25 Tax Expenditure Report, the biennial revenue loss is approximately \$5.9M with a revenue shift of \$1.3M. For the 2021–22 property tax year, 7 air transportation companies owned aircraft under 75,000 pounds and benefited from this exemption.