



A MEMBERSHIP ORGANIZATION
REPRESENTING THE INTEREST OF ALL
PUBLIC USE AIRPORTS IN IOWA

IPAA State Legislative Priorities 2021

According to the State Aviation System Plan (2010-2030) Iowa's aviation system need is \$816M or \$43M per year. From commercial passengers, to commercial freight, and our corporate and general aviation communities, Iowa's system of airports needs significant investment if Iowa is to remain competitive in today's global marketplace.

1. Keep Iowa Aviation Employers Competitive

IPAA supports the concept of previously proposed HF 2573 - Aircraft Parts and Labor Taxes (F) - the bill would have repealed Iowa's taxes on aircraft parts and labor. House File 2573, was approved by the House of Representatives on a vote of 89-7 on March 5, 2020. Less than a week later the Legislative Session was shut down for over two months over pandemic health concerns. Five of Iowa's neighboring states (IL, MN, MO, NE, WI) have a sales tax exemption of aircraft parts and labor. Only SD does not.

This effort is about helping Iowa employers offer competitive pricing to nontaxed discounted pricing offered by out-of-state companies. **The estimated loss of \$650,000 in sales tax revenue would be more than offset by the more than \$12M in work estimated to be retained in Iowa that will support jobs, income taxes, and additional stimulus to Iowa's economy.**

A. Keep Iowa Aviation Employers Competitive Requested Action

- Current Iowa Statute limits the parts and labor sales tax exemption to "air carrier" only, thereby, excluding many of Iowa's aerospace employers. This exemption should be extended to include general aviation operation as well.

2. Airport Infrastructure Reinvestment for Iowa (AIR-Iowa)

The State of Iowa's allocation in 2020 for airport vertical infrastructure was \$1.8M dollars leaving an unfunded gap of \$40.2M annually. The Iowa Public Airports Association respectfully requests an increased budget commitment to STRENGTHEN Iowa's airport system.

A. AIR-Iowa Requested Action

- Approve a 10-year allocation of Rebuild Iowa Infrastructure Funds (RIIF) in the amount of \$16.5M per year, for a total of \$165M toward airport vertical infrastructure.
 - As proposed, Iowa's annual investment in commercial service airport vertical infrastructure would increase to \$13.5M annually; and,
 - As proposed, Iowa's annual investment in general aviation airport vertical infrastructure would increase to \$3.0M annually;
 - As proposed, vertical infrastructure grants should require a five percent local match by the Airport Owner.