

**BILL SUMMARY**  
1st Session of the 54<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>SB 645</b>
<b>Version:</b>	<b>ENGR</b>
<b>Request Number:</b>	<b>NA</b>
<b>Author:</b>	<b>Rep. Ortega</b>
<b>Date:</b>	<b>4/1/2013</b>
<b>Impact:</b>	<b>Tax Commission:</b>
	<b>Revenue Decrease of \$1,055,000 FY-14</b>
	<b>\$535,000 FY-15</b>

**Research Analysis**

SB645 would exempt any person or entity from paying excise tax on the purchase of aircrafts used exclusively for training related to rotary-wing aircrafts.

Prepared By: Quyen Do

**Fiscal Analysis**

Secondary sources indicate that one helicopter training school is expected to open in 2013 and industry sources indicate the value of the helicopters that will be used for training at this facility is estimated to be \$16,000,000 each with two (2) helicopters initially being provided at the facility with the prospect of another six (6) over the next ten (10) years.

For purposes of this impact, it is assumed that the referenced helicopters will be purchased on or after the effective date of this measure and an additional helicopter will be acquired after July 1, 2014 with another five helicopters purchased over the the next eight years.

Additionally, research indicates that there are at least five certified flight instructors that provide helicopter training in Oklahoma and the value of the helicopters is estimated at \$2,275,000. For purposes of this impact, it is assumed that one of these instructors will acquire a new or used helicopter every year. Dividing the estimated value of these helicopters by 5 yields an annual \$455,000 helicopter purchase per year.

Multiplying the combined helicopter purchases of \$32,455,000 by the excise tax rate of 3.25% results in an estimated decrease of \$1,054,788 in aircraft excise taxes for FY 14 and an estimated decrease of \$534,788 for FY 15.

Prepared By: Mark Tygret

**Other Considerations**

None.

