



Proposed Study Questions: Commuter Air Carrier Airplanes

State of Washington Joint Legislative Audit and Review Committee • September 2018

Citizen Commission scheduled a JLARC study of a sales and use tax exemption for commuter air carriers that use airplanes to provide in-state travel



Commuter air carriers:

- Operate “small aircraft” with 60 or fewer seats.
- Carry passengers on at least 5 round-trip flights per week.
- Fly according to published flight schedules specifying the times and routes.

The 2006 Legislature directed the staff of the Joint Legislative Audit and Review Committee (JLARC) to conduct performance audits of tax preferences. This preference is included in the 10-year review schedule set by the Citizen Commission for Performance Measurement of Tax Preferences.

In 2009, the Legislature established a sales and use tax exemption for commuter air carriers that purchase and repair aircraft used primarily for in-state air transportation. The preference has no expiration date.

JLARC staff are also separately reviewing a property tax exemption in 2019 for commuter air carriers paying aircraft excise tax on their airplanes.

2019 study will address whether this preference led to expanded in-state airline service or any changes in airline service at smaller airports

The Legislature did not state an objective for this preference when it was enacted. Based on objectives inferred from statements by the prime sponsor and stakeholders, JLARC staff will answer three questions.

Inferred objectives	Study questions
Provide tax relief to encourage expanded in-state commuter air service.	1) Have commuter air carriers expanded their schedules to add more in-state flights or locations since the preference was enacted?
Help maintain air service that connects small, rural airports throughout Washington.	2) Has there been a change in the number of Washington’s small airfields served by in-state commuter air carriers since the preference was enacted?
“Level the playing field” for Washington-based carriers competing with an Oregon-based commuter air carrier.	3) How does the tax burden for commuter air carriers compare between Washington and Oregon?

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Study Timeframe

Preliminary Report: July 2019 Proposed Final Report: December 2019

Study Team

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JLARC Study Process

