



Issue Overview, Mar. 18, 2024

US Congressional Update

[FY 2025 Budget Proposals Target Business Aviation](#)

[Inman, Brown Confirmed to NTSB](#)

State and Local Updates

[Legislation Closely Tracked in February](#)

US Congressional Update

FY 2025 Budget Proposals Target Business Aviation

Summary of Facts

Last week, the Biden administration released the president's budget for fiscal year (FY) 2025. The budget aims to generate \$4 billion over the next decade by modifying a tax deduction for business jet purchases and increasing taxes on jet fuel. Specifically, Biden proposes ending a long-standing tax break for business jets and implementing a phased-in fuel-fee increase to \$1.06 per gallon for private jets over five years. The increase is expected to contribute almost \$2.5 billion toward the \$4 billion revenue target.

In addition, the budget allocates \$109.3 billion for the US Department of Transportation, with \$21.8 billion designated for the FAA for specific projects the agency requested. The administration is also seeking \$17.5 billion in discretionary funding for the FAA for fiscal 2025, representing a \$2.1 billion increase from fiscal 2023.

The FAA funding is intended to sustain and enhance the National Airspace System (NAS), including the hiring of 2,000 new air traffic controllers, a \$3.6 billion investment in airspace sustainability, and an \$8 billion commitment over five years for aviation safety, efficiency, and facility modernization. The mandatory \$8 billion program aims to further modernize FAA facilities and radar systems to accommodate increased commercial traffic and emerging technologies such as drones and advanced air mobility aircraft. This initiative comes as the FAA's ongoing NextGen program, intended to transition to a satellite-based air traffic control system, faces delays and cost increases.

The administration's funding request also aims to enhance safety oversight and overhaul aircraft certification processes.

HAI Position and Actions

VAI, along with the National Business Aviation Association and other industry organizations, opposes the policy proposals in the Biden administration's FY 2025 budget and other regulatory measures that target business aviation unfairly. These initiatives could harm an essential American industry and the jobs and communities it supports.

The business aviation community represents thousands of workers, businesses, and operators in the general aviation sector, contributing \$250 billion to the nation's GDP and supporting 1.2 million American jobs, including skilled-labor positions. Business aviation enables companies to enhance their efficiency, productivity, and flexibility while accessing remote communities across the country.

The president's FY 2025 budget proposes a significant, fivefold tax increase on business aviation flights but lacks the data to justify such a change and ignores the fact that the bulk of the NAS costs stems from commercial airline requirements. Additionally, the administration seeks to

modify a perceived tax break by adjusting the depreciation schedule on purchased aircraft without considering the differences between commercial airline fleets and fleets owned by businesses with a distinct operating model.

These proposals compromise demand for advanced aircraft crucial for efficient business mobility, particularly in underserved communities. VAI urges Congress to collaborate with the business aviation community, a leader in developing innovative technologies, connecting communities, creating jobs, and supporting American businesses of all sizes.

To read our coalition letter addressed to Congress, [click here](#).

Inman, Brown Confirmed to NTSB

Summary of Facts

Last week, the Senate confirmed two of President Biden's nominees for the National Transportation Safety Board (NTSB). Alvin Brown and J. Todd Inman received simultaneous approval by the Senate, resolving delays that occurred last year that obstructed Inman's confirmation.

The newly confirmed nominees, who will fill vacancies on the five-member board, arrive at a time when the NTSB has highlighted aviation concerns to Congress, including constraints on its resources.

Brown served as mayor of Jacksonville, Florida, from 2011 to 2015. He previously served as Vice President Al Gore's senior advisor for urban policy and as vice chair of the White House Community Empowerment Board, where he led the Clinton administration's overall community empowerment initiatives.

Inman has served as a senior director in the Office of the Executive Chairman for APCO Worldwide since 2022. Previously, he was secretary of the Florida Department of Management Services. In addition, Inman held various positions under former secretary Elaine Chao at the US Department of Transportation, including chief of staff, deputy chief of staff, and director of operations.

Congress is currently deliberating the reauthorization of the NTSB as part of the broader FAA reauthorization bill, currently under negotiation between the House and Senate.

HAI Position and Actions

VAI congratulates NTSB's new board members. Their confirmation allows the board to operate with a full slate of members. Given the current challenges facing the aviation industry, having a fully functioning NTSB is essential.

It is important that Congress continue to deliberate the reauthorization of the NTSB as part of the broader FAA reauthorization bill. This ensures that the agency will have the necessary resources and authority to carry out its mission effectively.

State and Local Updates

Legislation Closely Tracked in February

California [SB 1505](#): Introduced by State Sen. Henry Stern, this bill mandates that aircraft owners in California register their aircraft with the Department of Motor Vehicles (DMV) and provides guidelines for the registration process. Violations of these provisions would constitute a crime. The DMV would determine the aircraft registration fee, which would cover administration costs and include an amount for mitigating the environmental impacts of aircraft emissions, imposing a tax.

VAI Stance: Opposes.

California [SB 1193](#): Introduced by State Sen. Caroline Menjivar, this legislation prohibits airport operators or aviation retail establishments from selling, distributing, or making available to consumers leaded aviation gasoline, according to the following timeline:

- **Starting Jan. 1, 2026**, for airports and aviation retail establishments in or adjacent to (1) disadvantaged communities or (2) cities with a population of at least 700,000 as of Jan. 1, 2024
- **Starting Jan. 1, 2028**, for airports and aviation retail establishments in or immediately adjacent to urban-growth boundaries
- **Starting Jan. 1, 2030**, for all other airports and aviation retail establishments.

VAI Stance: Opposes.

Colorado [HB 1235](#): Introduced by State Rep. Kyle Brown, the bill introduces a state income-tax credit for aircraft owners who incur qualified expenses transitioning from leaded aviation

gasoline to unleaded aviation gasoline certification. The bill also expands the Colorado aeronautical board by two members, with priority given to nonpilots residing in high-traffic airport areas. Additionally, the bill prioritizes grant allocation for airports in urban or suburban areas based on specific population density criteria and imposes conditions for fund expenditure on airports in densely populated residential areas, requiring a phased-out leaded-gasoline plan, noise-mitigation measures, and compliance with aviation easements or contracts by January 2026.

VAI Stance: Opposes.

Connecticut [HB 5202](#): Introduced by the state transportation committee, this amendment expands the definition of “aeronautics” to include uncrewed aircraft and vertiports. It also incorporates vertiports into definitions related to “air navigation facilities” and other aviation-related terms.

VAI Stance: Opposes.

For more information about the above bills and VAI’s position on them, please contact KatiaV@verticalavi.org.

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