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Governor Susana Martinez Signs Bill to Eliminate Aircraft Sales Tax, Encourage Growth in NM's Aviation Industry

Legislation Could Create 125 New Jobs, Make NM More Competitive with Surrounding States

Roswell — Today, Governor Susana Martinez signed into law legislation that will eliminate the sales tax on the purchase of aircraft over 10,000 pounds, a move that can spur growth in New Mexico's aviation industry and create up to 125 good-paying jobs in Roswell alone. Because New Mexico currently taxes the sale of an aircraft, pilots simply fly to places like Texas — where buyers are not penalized — to complete the sale, saving up to hundreds of thousands of dollars.

“The aviation industry is an integral part of New Mexico's economy,” said Governor Martinez. “But we can do better to develop it, expand it and create more jobs for New Mexicans. Signing today's bill is a great start and will ensure that we remain competitive with our neighboring states.”

With the signing of HB 24, Commercial or Military Carrier Gross Receipts, it is estimated that the legislation could create up to 125 new jobs.

The bill is expected to have a direct economic impact of more than \$5 million, an indirect economic impact of around \$3.5 million and an induced economic impact of \$1.8 million for a total economic impact of \$10.5 million.

Most surrounding states do not tax the sale of aircraft. Therefore, it is easy for pilots to fly them out of state to execute the contract for sale. As a result, there was no record of any sales taking place in New Mexico. Because there were no sales, there is no negative revenue impact to the state by passing this bill.

This legislation was sponsored by Representative Bob Wooley (R-Roswell) and Senator Stuart Ingle (R-Portales).

The bill signing took place at AerSale, an international supplier of aftermarket aircraft, located in the Roswell International Air Center.

“House Bill 24 gives New Mexico a competitive edge in attracting new business within the highly competitive aviation industry,” said Robert Nichols, COO at AerSale. “We are excited to be working hand in hand with our state representatives to expand operations, while creating new employment opportunities in the Roswell community.”

Stewart Industries, a rapidly expanding supplier of aviation parts, is another tenant in the Roswell Air Center that proposed the idea for the bill and worked with the New Mexico Economic Development for its passage.

"We thank Governor Martinez for her leadership in working to level the playing field with neighboring states that do not tax the sales of aircraft," said Dale Mullinax, vice president of operations for Stewart Industries. "This will create jobs and encourage growth in the Roswell Air Center and in New Mexico's aviation industry."

This bill will continue to help create jobs in New Mexico's aviation and aerospace industry. Just between these two companies alone, HB 24 is expected to create 125 new jobs, with an average salary of \$40,000, over the next five years.

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