



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

July 19, 2016

H.R. 3608

A bill to amend the Internal Revenue Code of 1986 to exempt amounts paid for aircraft management services from the excise taxes imposed on transportation by air

As ordered reported by the House Committee on Ways and Means on July 13, 2016

H.R. 3608 would amend the Internal Revenue Code to exempt certain aircraft management fees from the excise taxes imposed on transportation of persons and property by air. The exemption would apply to certain fees charged for maintenance and support by a firm that manages a client's personal aircraft. The fees that would be excluded from taxation include those for storage and maintenance of the aircraft, for hiring and training of pilots, and for flight planning and other administrative services.

Enacting H.R. 3608 would reduce revenues; therefore, pay-as-you-go procedures apply. However, the staff of the Joint Committee on Taxation (JCT) estimates that enacting the bill would reduce revenues by an insignificant amount, less than \$500,000, over the 2016-2026 period.

CBO and JCT estimate that enacting the bill would not increase net direct spending in any of the four 10-year periods beginning in 2027, and would increase on-budget deficits over those periods by very small amounts.

JCT has determined that the bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

The CBO staff contact for this estimate is Peter Huether. The estimate was approved by Mark Booth, Unit Chief, Revenue Estimating.