5 Unique Aspects of Aviation in Kentucky

General aviation supports a variety of services that are not as obvious as the movement of people and cargo. This chapter highlights several of those unique services and illustrates how they enhance the Commonwealth of Kentucky. The three aspects of aviation that are highlighted in this chapter include:

- Aviation Education
- Agricultural Activity
- Aviation in Medical Care

In addition to the overviews of these general aviation services, the last section of this chapter chronicles key Kentucky tax policies and practices as they relate to general aviation, and compares them with those policies and practices found in the seven states that border Kentucky.

Aviation Education

Throughout Kentucky there exists a wide variety of aviation and aerospace educational opportunities. Programs such as the aviation department at Eastern Kentucky University and the Space Science concentration at Morehead State University offer opportunities for college students, while numerous high schools offer aviation education classes for their students. The following sections provide a summary of the aviation education programs that are most connected to Kentucky's system of public-use airports.

Eastern Kentucky University

The most robust higher education aviation program in Kentucky is located at Eastern Kentucky University's aviation department (EKU-A) in Richmond. EKU-A offers a Bachelor of Science degree in three different concentrations: Aerospace Management, Professional Flight-Multi-Engine Land (MEL), and Aerospace Technology. In addition, EKU-A offers minors in both its Aviation (Flight) and Aerospace Management curriculums. EKU-A aids students in their job search by bringing airline employers to campus to recruit and interview students prior to graduation.

EKU had an undergraduate student body of nearly 14,000 in 2014. Among these students, aviation-related programs account for the four most popular majors at the university. Among 2014 graduates, the Aerospace, Aeronautical and Astronautical/Space Engineering program accounted for 24 percent of all EKU graduates, followed by the Airline/Commercial/Professional Pilot and Flight Crew major (16 percent), the Aeronautics/Aviation/Aerospace Science and Technology, General major (15 percent), and Air Traffic Controller major (7 percent).

EKU-A is located in the Ralph W. Whalin Technology Complex. This facility includes approximately 100,000 square feet of both classroom and laboratory space in addition to a flight simulator facility. The EKU-A fleet, based at Madison Airport, includes Piper and Cessna aircraft.

In 2016, EKU was granted special authority from the FAA that allowed EKU graduates to take the FAA's restricted Airline Transport Pilot (R-ATP) check ride at only 1,000 flight hours, as opposed to

the typical 1,500 hours. This added EKU's Aviation-Aerospace Technology degree to the FAA's official register of approved "1,000-hour power" degrees.

EKU has also entered into partnership with the Kentucky Community and Technical College System (KCTCS). The purpose of this partnership is to allow students to earn aviation degrees such as the 1,000-hour power degree without having to leave the area of one of the KCTCS campuses by allowing students to take KCTCS classes while completing EKU-A coursework online. The curriculum includes enrolling in an Associates of Arts degree at a KCTCS campus while taking EKU-A aviation flight training, which, along with online coursework, will earn an Aerospace Technology BS degree.

EKU has formal partnership agreements with the following KCTCS campuses:

- **Ashland Community and Technical College** – Professional Flight Program
- **Hazard – University Center of the Mountains** – Professional Flight Program
- **Jefferson Community and Technical College** – Airframe and Powerplant (A&P) Program
- **Middlesboro/Harlan-Southeast Kentucky Community and Technical College** – Professional Flight Program
- **Owensboro Community and Technical College** – Professional Flight Program
- **Somerset Community and Technical College** – Airframe and Powerplant (A&P) Program

EKU-A is also expanding this partnership program out of state. The first of these interstate partnerships is with Central Oregon Community College, which offers two professional flight programs. EKU-A has plans to continue this expansion, making the university a center of aviation education nationwide.

University of Kentucky

The University of Kentucky Technology Transfer Program currently offers a one-day course on unmanned aircraft systems (UAS) aimed at the business community. The course takes place at a UAS workshop with multiple rotorcraft and fixed-wing drones. It aims to teach students about UAS safety concerns, rules and regulations regarding UAS in the United States, how UAS can benefit the business community.

High School Aerospace Programs

Numerous Kentucky high schools capitalize on the technological nature of aviation to use it as a theme for teaching various subjects, the most common being science, technology, engineering, and math (STEM). These programs aim to better prepare students for a wide variety of higher education possibilities while also engaging the next generation of aviation professionals.

Currently, 37 Kentucky high schools offer some type of aerospace curriculum that emphasizes STEM subjects. This curriculum typically includes coursework throughout high school, advancing from foundational and fundamental coursework during freshman and sophomore years to advanced coursework during junior and senior years. Senior year coursework may also include dual college credit or aviation certifications.

Aviation Museum of Kentucky

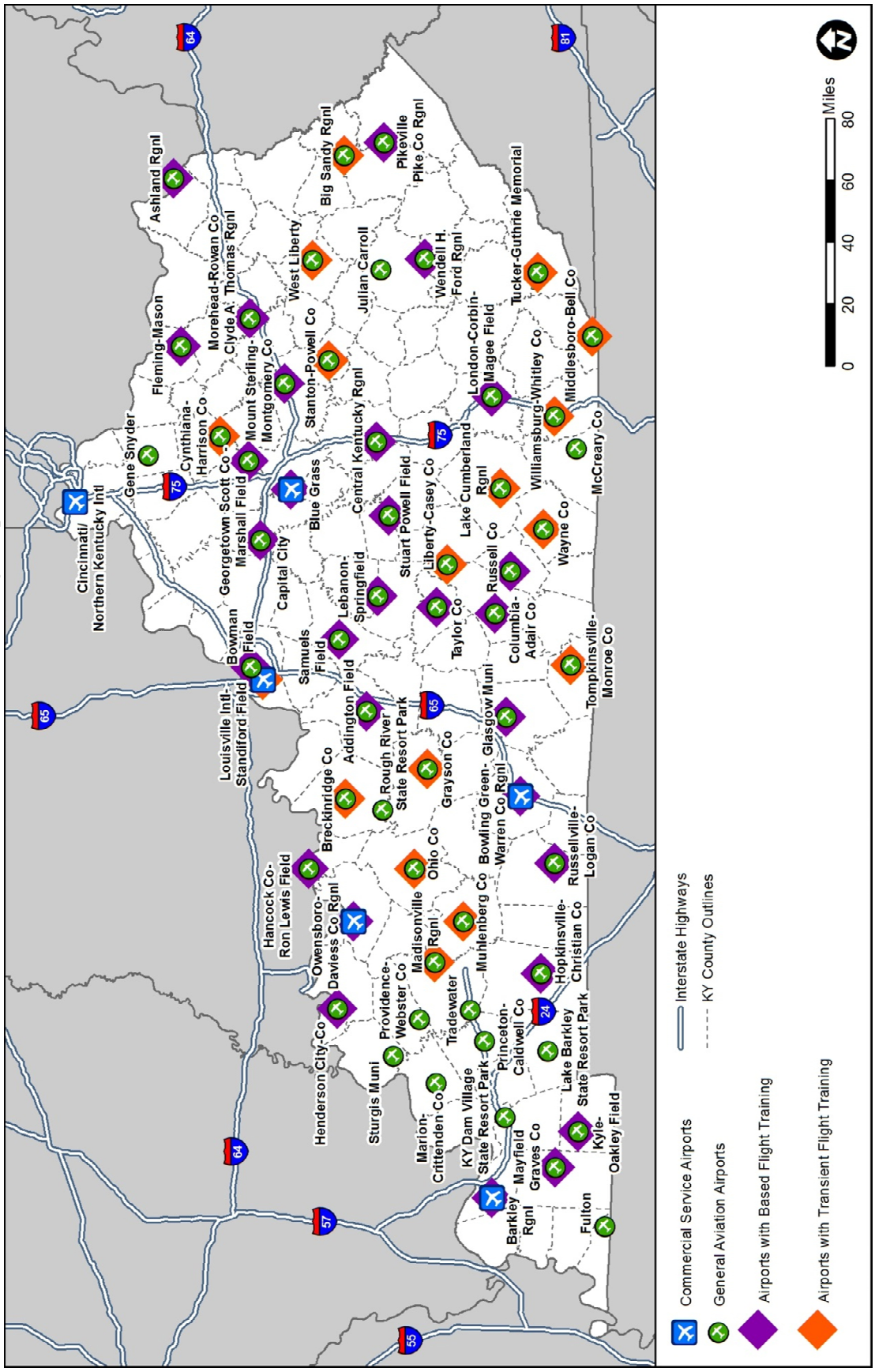
Every summer, the Aviation Museum of Kentucky, located at Blue Grass Airport in Lexington, holds two-day Aviation Camps of Kentucky for youths ages 10 to 16. The camps are designed to be intense learning experiences based on aviation, including the science of aeronautics, the history of aviation, map reading, math, flight planning, and flight training. The camp also offers the opportunity to practice flight on a flight simulator, examine aircraft and aircraft engine design up

close, and learn about the many careers in aviation. Since 1996, over 4,000 students have enrolled in these camps.

Other On-Airport Aviation Education Activities

In addition to the above programs, many other flight training and aviation education programs exist at airports in Kentucky. **Figure 5-1** details the locations of these programs throughout Kentucky. In total, 29 airports have based flight training. In addition to based flight training, airports may also experience flight training activities that are based at other airports, including such activities as touch-and-go operations. In total, 46 airports reported experiencing some form of flight training activity, as shown on Figure 5-1.

Figure 5-1
Aviation Education at Kentucky Airports



Source: Airport Inventory and Data Survey.

Aviation Agricultural Activity

Aviation has found some niche uses in Kentucky's agricultural sector. These include traditional aerial applications as well as livestock transport.

Aviation Use in Farming

Agriculture plays a significant role in Kentucky's economy. According to data from the U.S. Department of Agriculture (USDA), Kentucky crop production totaled $2.8 billion in 2015. The largest component of this economic benefit came from corn and soybeans, each contributing more than $800 million. Hay production was also a substantial part of Kentucky's crop production, producing more than $680 million in revenues. Kentucky's tobacco crop contributed an estimated $317 million to the economy in 2015, making Kentucky a leading producer of tobacco in the U.S., second only to North Carolina. Wheat production rounded out the top crops with a value of nearly $172 million.

This agricultural activity takes place on more than 6 million acres of farmland in the Commonwealth. Every year, these crops need planting, fertilization, and protection from insects, diseases, and weeds. Aviation has a significant role in this through the judicious use of aerial application. Every year, aircraft are used for farming purposes. Aerial seeding is used on areas where the soil is too wet for ground machinery, on farmland that is inaccessible or so large that conventional methods of seeding take too much time, and in places where crops already exist and ground equipment could harm the crops in place.

Additionally, aerial applicators employ a variety of pesticides on crops in Kentucky. Some, such as herbicides, are typically applied every year, while others, such as fungicides and insecticides, are applied only as needed. Outbreaks of crop-damaging insects or plant-killing fungus may only occur every few years, but can threaten the economic viability of an entire crop.

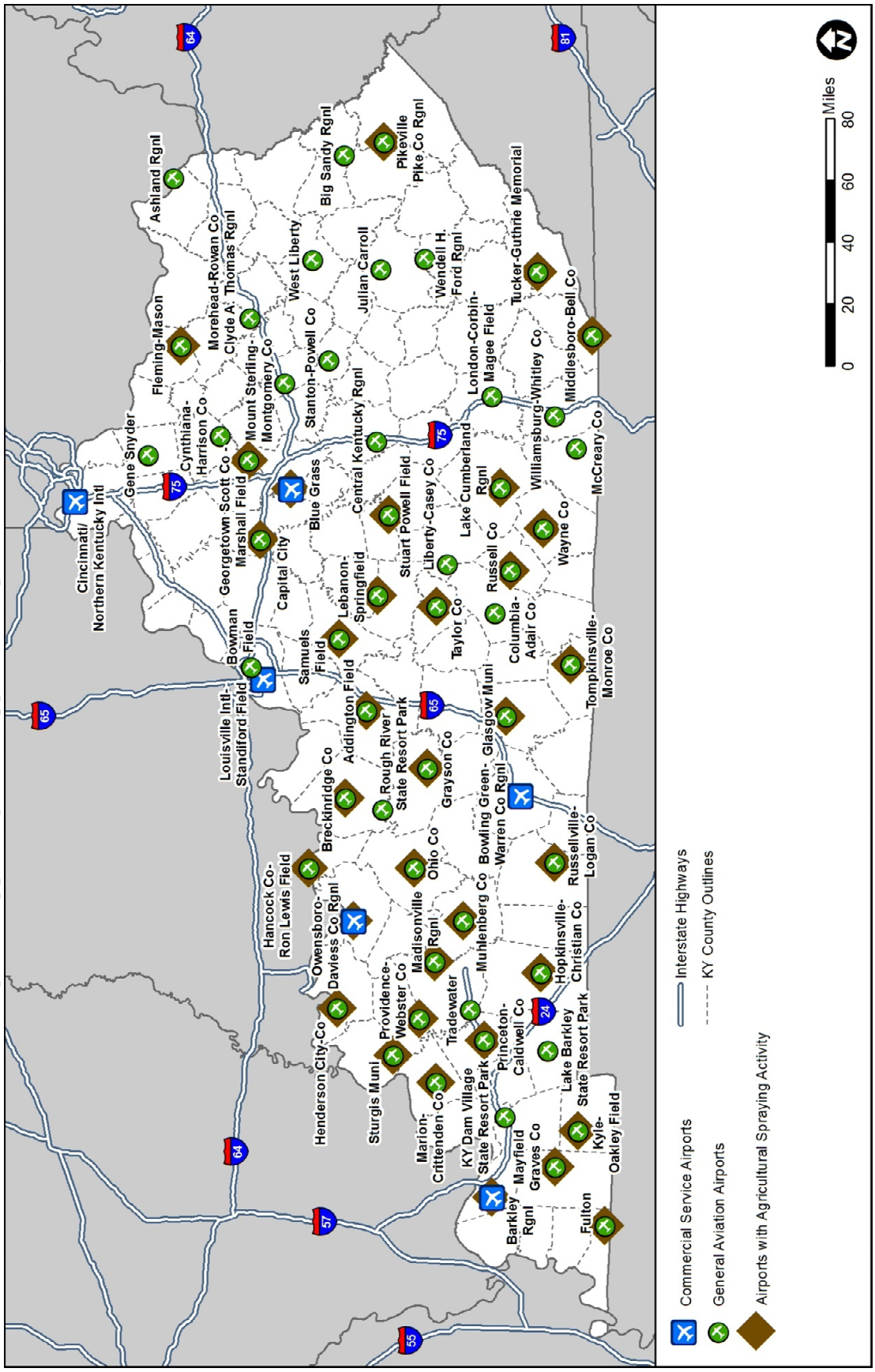
In 2012, the USDA estimated that more than 3.5 million acres of Kentucky farmland used some type of pesticide to control weeds, insects, or plant diseases. While the USDA does not track how those pesticides are applied, the National Agricultural Aviation Association (NAAA) has estimated that 25 percent of all commercially applied pesticides are applied by aircraft, which would imply that approximately 875,000 acres of Kentucky farmland were sprayed by aerial applicators in 2012.

In general, agricultural applicators apply pesticides to Kentucky crops without damaging plants in the way ground rigs can. They are also used to respond quickly to outbreaks of plant disease or insect infestation, since aerial applicators can spray a large area much faster than ground application methods can. Without these actions, some, or even all of the economic value of a crop can be lost.

According to data from the FAA, there are 14 aircraft registered in Kentucky certified to conduct aerial application operations. This represents about 0.2 percent of U.S. fleet of aerial application aircraft. This is not surprising since aerial application aircraft have the ability to migrate to where and when demand dictates they are needed regardless of state boundaries.

The network of airports available to support aerial applicator activity is important as it provides economical access to the farmland that needs some type of pesticide application by aircraft. Inventory and survey data collected from each Kentucky system airport as part of this study found that a substantial number of airports support aerial applicator activity. **Figure 5-2** shows a map of Kentucky indicating the level of aerial applicator activity at each airport. Approximately 59 percent of system airports support some level of aerial applicator activity.

Figure 5-2
Airports Supporting Aerial Application Operations in Kentucky



Source: Airport Inventory and Data Survey.

Aviation's Support of the Equine Industry

Kentucky has an important and distinguished history in the equine business. The 2012 Kentucky Equine Survey found that Kentucky is home to more than 242,000 horses, which support a $1.1 billion industry with more than 40,000 jobs.[1] Specialized air transport companies support this industry by moving those animals from place to place. Out of the top five U.S. airports involved in horse transportation, two are in Kentucky – Louisville International Airport and Blue Grass Airport in Lexington.[2]

Source: H.E. Tex Sutton Forwarding Company

Source: H.E. Tex Sutton Forwarding Company

One such company is the H. E. Tex Sutton Forwarding Company, based at Blue Grass Airport. Founded in 1957 by Halford Ewel "Tex" Sutton, the company is credited with revolutionizing the horse transportation industry since it flew its first horse in 1969. It leases a dedicated Boeing 727-200 from Kalitta Charters that can hold up to 21 horses. The company typically flies 2,300 horses annually, with more than a quarter of those departing from its home airfield, Blue Grass Airport.[3] [4] More than two dozen U.S. destinations are regularly served by these flights.

Horse transport companies typically provide more than just flying a horse from one airport to another. In most cases, these businesses offer horse loading/unloading ramps, aircraft tailored horse stalls, inflight water and hay, and trained grooms. If horses are transported across international borders, these companies typically provide quarantine services, blood testing, and help with clearing customs.

Other companies involved in the transport of horses in and out of Kentucky by air include Creech Horse Transportation, Elite Horse Transport, DHL, and FedEx.

Aviation in Medical Care

Aviation is an essential aspect of the healthcare industry, especially as it applies to emergency response and evacuation. In emergencies such as severe automobile accidents, helicopters are best equipped to respond and transfer patients to medical facilities. Aviation is also important to the medical industry for other functions beyond emergency response, including the transfer of medical supplies and transportation of medical personnel. The following sections provide an overview of aviation activities in Kentucky as they relate to the healthcare industry, including locations of air medical bases throughout Kentucky, and which airports in the system experience medical operations. Also explored are typical airport facilities required of medical aviation operations.

Air Medical Bases

The Atlas and Database of Air Medical Services (ADAMS) maintains a nationwide directory of air medical bases. Such bases include both helicopter and fixed-wing aircraft bases, and may be located at an airport, at a hospital with a helipad, or at a standalone helipad. Kentucky is currently served by five air medical operators: Air Methods, PHI Air Medical, Air Evac Lifeteam, Wings Air Rescue,

[1] *2012 Kentucky Equine Survey*, University of Kentucky College of Agriculture, Food, and Environment. September 6, 2013.
[2] Harrington-Snell, Jennifer. *Along for the ride*, Business Airport International, January 2012.
[3] Stewart, Julie. *Window or Aisle Stall? Equine Frequent Fliers Check In*, New York Times, June 1, 2013.
[4] *Flying horses and Lexington's aviation history featured in new book*, Lexington Herald-Leader, April 22, 2014.

and HealthNet Aeromedical Services. Two of these operators (Air Methods and PHI Air Medical) have operational headquarters in Kentucky. Together, these five operators run 31 air medical bases in Kentucky. Of these, 30 are exclusively helicopter bases, while the other operates both helicopters and fixed-wing aircraft.

Of the 31 air medical bases in Kentucky, 12 are located at 10 airports. **Table 5-1** details those airports with air medical bases and the air medical operator or operators located at each. Two airports (London-Corbin-Magee Field and Big Sandy Regional) are home to multiple air medical bases.

Table 5-1
Air Medical Bases at Kentucky Airports

Associated City	Airport Name	Air Medical Operators
Danville	Stuart Powell Field	Air Evac Lifeteam
Elizabethtown	Addington Field	Air Methods
Glasgow	Glasgow Municipal	Air Methods
Greenville	Muhlenberg County	PHI Air Medical
Hazard	Wendell H. Ford Regional	Air Methods
London	London-Corbin-Magee Field	Air Methods & PHI Air Medical
Monticello	Wayne County	PHI Air Medical
Prestonsburg	Big Sandy Regional	Air Methods & HealthNet Aeromedical Services*
Springfield	Lebanon-Springfield	Air Methods
Williamsburg	Williamsburg-Whitley County	Air Evac Lifeteam

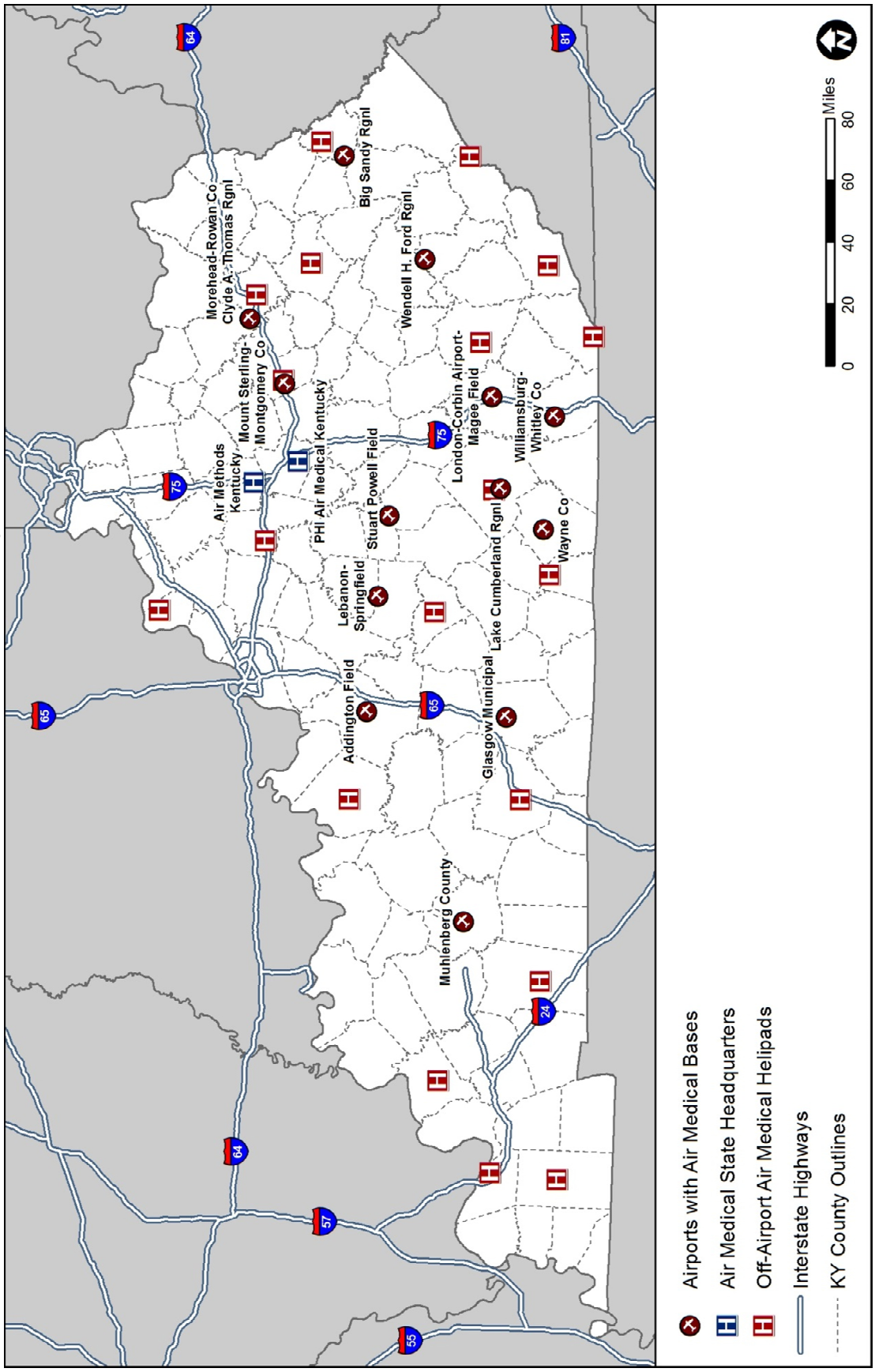
Source: Atlas and Database of Air Medical Services.
*Base shared with helipad in the town of Prestonburg.

Figure 5-3 shows the location of all air medical bases in Kentucky, including on- and off-airport facilities.

Other On-Airport Activity

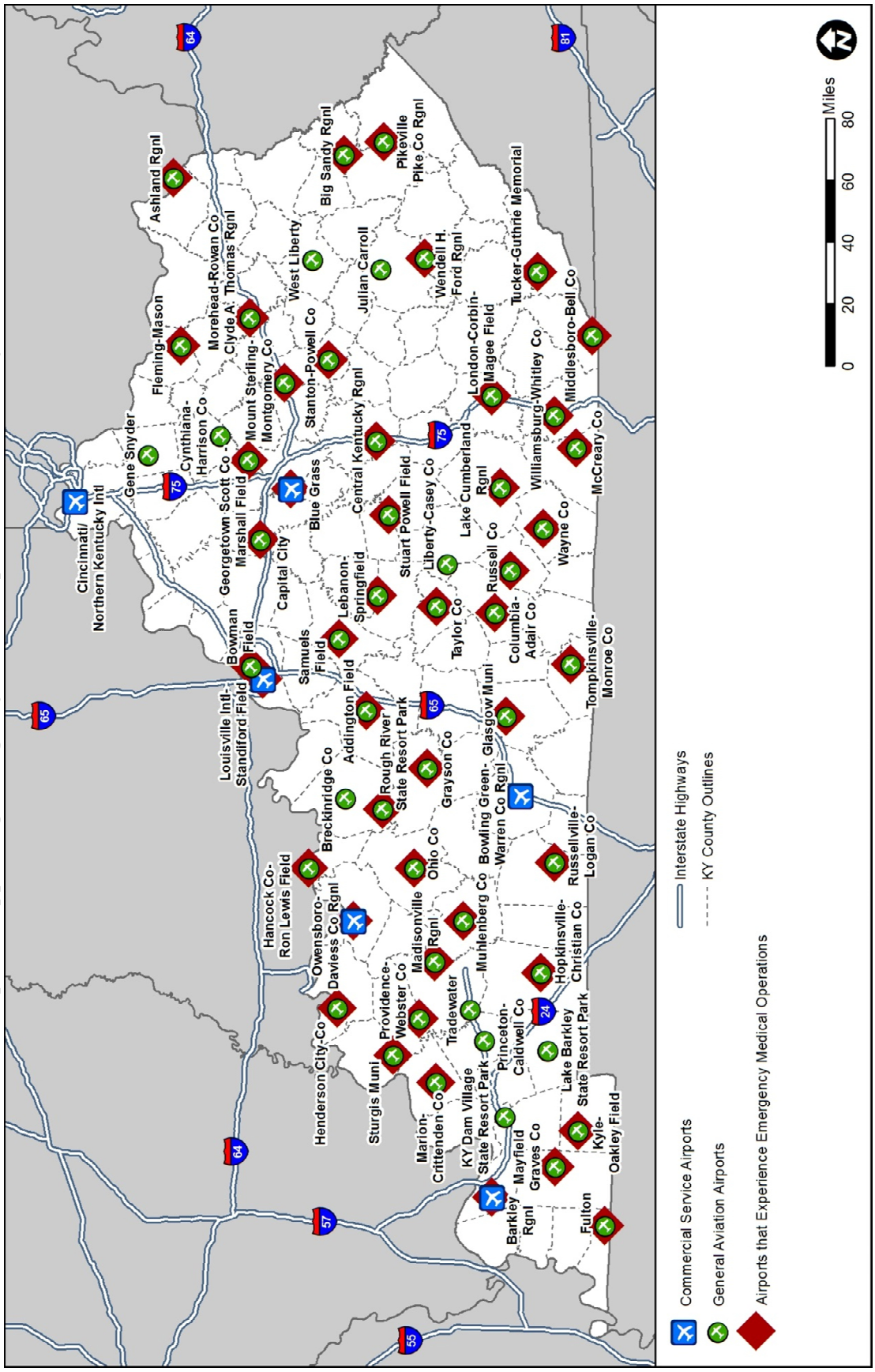
Airports do not need to be the base of an air medical operator to experience healthcare-related activity. Activities such as air ambulance and patient transfer may occur at many airports as the needs arise. During the system inventory effort, airports in Kentucky were asked to report on the regularity of medical-related flights. In total, 47 system airports reported experiencing emergency medical operations. **Figure 5-4** maps Kentucky airports that reported experiencing emergency medical operations.

Figure 5-3
Air Medical Bases in Kentucky



Source: Atlas and Database of Air Medical Services.

Figure 5-4
Airports Supporting Emergency Medical Operations in Kentucky



Source: Airport Inventory and Data Survey.

Minimum Facilities

The aircraft used in medical-related flights, particularly air ambulance helicopter and fixed-wing aircraft, typically require a minimum level of aviation facilities to operate safely. In addition, aircraft fuel is an important service for such operators, particularly those in need of jet fuel service (jet, turbo-prop, and most helicopter aircraft). It is important for Kentucky's system of airports to be adequately developed for both based and transient air medical operations. The following facilities and services are viewed as minimum requirements for airports serving based and transient air medical operations:

- B-II runway dimensions (4,000 feet in length by 75 feet in width)
- Instrument approach with vertical guidance or better instrument approach capabilities
- On-site weather reporting
- Jet-A fuel service

Table 5-2 lists Kentucky airports that meet all of these facility requirements, making them the best equipped to serve air ambulance operations. These airports include all six of Kentucky's commercial service airports and 26 of its GA airports. Note that three airports with existing air medical bases (Lebanon-Springfield, London-Corbin-Magee Field, and Muhlenberg County) do not meet all of these recommended facilities, as each has only a non-precision instrument approach.

Table 5-2
Airports Meeting Recommended Facilities and Services for Air Ambulance

Associated City	Airport Name
Commercial Service	
Bowling Green	Bowling Green-Warren County Regional
Covington	Cincinnati/Northern Kentucky International
Lexington	Blue Grass
Louisville	Louisville International-Standiford Field
Owensboro	Owensboro-Daviess County Regional
Paducah	Barkley Regional
General Aviation	
Bardstown	Samuels Field
Campbellsville	Taylor County
Danville	Stuart Powell Field
Elizabethtown	Addington Field
Flemingsburg	Fleming-Mason
Frankfort	Capital City
Georgetown	Georgetown Scott County - Marshall Field
Glasgow	Glasgow Municipal
Hartford	Ohio County
Hazard	Wendell H. Ford Regional
Henderson	Henderson City-County
Hopkinsville	Hopkinsville-Christian County
Jamestown	Russell County
Louisville	Bowman Field
Madisonville	Madisonville Regional
Marion	Marion-Crittenden County
Mayfield	Mayfield Graves County
Monticello	Wayne County

Table 5-2
Airports Meeting Recommended Facilities and Services for Air Ambulance

Associated City	Airport Name
Morehead	Morehead-Rowan County Clyde A. Thomas Regional
Mount Sterling	Mount Sterling-Montgomery County
Murray	Kyle-Oakley Field
Pikeville	Pikeville – Pike County Regional
Prestonsburg	Big Sandy Regional
Richmond	Central Kentucky Regional
Sturgis	Sturgis Municipal
Williamsburg	Williamsburg-Whitley County

Source: Airport procedure charts, Airport Inventory and Data Survey, and FAA Form 5010.

Evaluation of Neighboring State Tax Policies and Practices

This assessment looks at the tax policies related to general aviation in and around Kentucky. The tax code varies from state to state, ensuring that any detailed analysis requires extensive research and knowledge of the subject matter to ensure that all relevant particulars, exceptions, exemptions, and definitions are obtained. This analysis will take a high level overview of the general aviation tax situation in the states assessed and provide a broad synopsis supplemented with some specific details, but it is not to be taken as an all-encompassing narrative on general aviation taxes in Kentucky or its neighboring states.

The study team conducted an examination of general aviation tax policies in the seven states bordering Kentucky, namely:

- Illinois
- Indiana
- Missouri
- Ohio
- Tennessee
- Virginia
- West Virginia

For each state, data was gathered on aviation fuel taxes, aircraft maintenance taxes, aircraft taxes, and exemptions for any of these taxes. The focus of this analysis is on general aviation. State taxes also have an impact on commercial air carriers, but they operate under a different tax structure involving different rates and exemptions. Additionally, some carriers have sufficient influence to be able to negotiate tax terms with states, which further complicates the subject.

Aviation Fuel Taxes

Taxes on aviation fuels used by general aviation typically consist of per gallon state excise taxes that apply only to specific aviation fuels, and states sales taxes that usually are a percentage of the total fuel cost. In each state, there may also be county or municipality taxes that are also applied to aviation fuel, but this analysis is only concerned with taxes at the state level.

Table 5-3 summarizes the state level taxes applied to jet fuel and avgas in Kentucky and each neighboring state.

Table 5-3
Aviation Fuel Taxes for Kentucky and Neighboring States

State	Jet Fuel		Avgas	
	Excise Tax (per gallon)	**Sales Tax** (per transaction)	**Excise Tax** (per gallon)	**Sales Tax** (per transaction)
Kentucky	None	6.0%	$0.23	None
Illinois	$0.003	6.3%	$0.003	6.3%
Indiana	$0.10	None	$0.10	None
Missouri	None	4.2%	$0.09	None
Ohio	None	5.8%	None	5.8%
Tennessee	$0.01	4.5%	$0.01	4.5%
Virginia	$0.05	None	$0.05	None
West Virginia	$0.14	None	$0.14	None

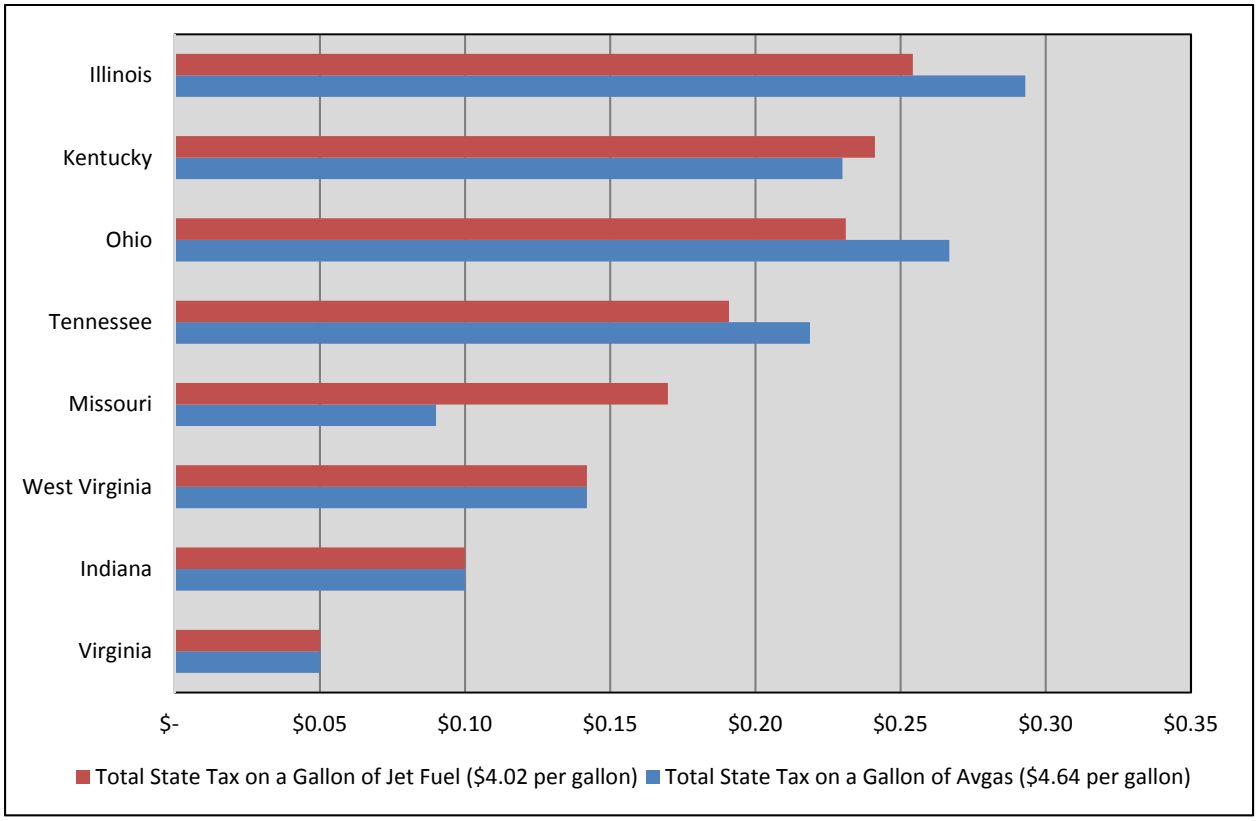
Notes: Virginia's excise tax applies to the first 100,000 gallons purchased annually, then the rate drops to $0.005 per gallon. Tennessee has a $0.004 per gallon environmental assurance tax in addition to the taxes shown.
Source: Aircraft Owners and Pilots Association state advocacy reports, May 2016.

As shown in the table, Kentucky imposes its state sales tax of 6 percent on jet fuel transactions, and an excise tax of $0.23 per gallon on avgas purchases. The sales tax on jet fuel transactions is limited for certificated air carriers to $1 million annually. Among the surrounding states, all have some type of state tax on aviation fuels, with Illinois and Tennessee imposing both excise taxes and sales tax on aviation fuels. However, Tennessee only imposes a 4.5 percent sales tax rate instead of its standard 7 percent tax rate. Tennessee also caps an individual's annual aviation fuel sales tax obligation. That amount decreases by year until 2018 when it remains steady at $10.5 million.

The total tax burden imposed by each state can be assessed by estimating the additional cost using an average price for each fuel. Using the national average price for a gallon of jet fuel and avgas, the total state taxes were calculated.[5] **Figure 5-5** shows the total state taxes imposed on a gallon of aviation fuel, in order from highest to lowest for jet fuel.

[5] Based on data from Airnav.com, retrieved on May 23, 2016.

Figure 5-5
State Taxes on Each Gallon of Aviation Fuel



Source: Aircraft Owners and Pilots Association state advocacy reports, May 2016, and Airnav.com.

Kentucky has the second highest tax burden on jet fuel, behind Illinois, and the third highest on avgas, following Illinois and Ohio. Overall, state taxes add between 1 percent and 6 percent to the total cost of aviation fuel in these states.

Aircraft Maintenance Taxes

This analysis examined two issues regarding aircraft maintenance taxes in each of the eight states considered. Many services are subject to a state's sales tax. However, some states provide exemptions to their state sales tax for parts used in aircraft maintenance, for labor used in aircraft maintenance, or for both. This is done in recognition of the fact that the mobility of an aircraft greatly enhances its schedule maintenance options. Unlike less mobile assets, an aircraft can easily be taken across state lines to take advantage of more favorable tax environments. For example, as shown in **Table 5-4**, Kentucky imposes a 6 percent tax on aircraft parts, while Ohio exempts aircraft parts from sales tax. A business jet owner that expects to pay $100,000 on maintenance parts would save $6,000 by having that maintenance done across the border in Ohio as compared to having the same work done in Kentucky.

Table 5-4
Aircraft Maintenance Tax Policies in Kentucky and Neighboring States

State	Sales Tax	Aircraft Maintenance Parts Exempt from Sales Tax?	Aircraft Maintenance Labor Exempt from Sales Tax?
Kentucky	6.0%	No	Yes
Illinois	6.3%	Yes	Yes
Indiana	7.0%	Yes	Yes
Missouri	4.2%	Yes	Yes
Ohio	5.8%	Yes	Yes
Tennessee	7.0%	No	Yes
Virginia	4.3%	No	Yes
West Virginia	6.0%	No	No

Note: Ohio exemptions only apply to repairs made by FAA certified repair stations on aircraft of more than 6,000 lbs. maximum certified takeoff weight used in general aviation.
Source: Aircraft Owners and Pilots Association state advocacy reports, May 2016.

As can be seen in Table 5-4, Kentucky does not exempt aircraft parts used in maintenance from sales tax. The same is true for Tennessee, Virginia, and West Virginia. The other four states do exempt aircraft parts from sales tax when used in maintenance. Nearly all of the states exempt labor from sales tax when used for aircraft maintenance, with the exception of West Virginia. It should be noted that West Virginia is the only state that does not provide any sales tax exemptions for aircraft maintenance, while four states – Illinois, Indiana, Missouri, and Ohio – offer sales tax exemptions for both aircraft parts and labor used in aircraft maintenance.

Aircraft Taxes

Another aspect of general aviation tax policy is the way in which owned aircraft are taxed. There are two primary taxes generally in use on general aviation aircraft. One is the sales and use tax applied to aircraft when they are either sold or brought into a state for use. The other is an annual property tax assessment on general aviation aircraft.

Sales and Use Tax

Sales taxes are generally applied to retail sales that take place within a state. When items are purchased out of state and then brought into the state, a use tax is applied if sales tax was not paid at the time of purchase. In general, all eight states have a sales and use tax that is applicable to general aviation aircraft. However, there are many tax exemptions that apply as well as regulations that can alter or eliminate the sales and use tax. Because the tax code is so lengthy, only the most common tax exemptions are addressed in this analysis. The most common tax exemptions that apply to sales and use tax on general aviation aircraft are:

- **Fly Away Exemption** – A purchaser of an aircraft is exempted from sales tax in the state of purchase if the new owner departs the state of purchase and does not return for a specified period of time. This exemption sometimes also covers the cost of any aircraft upgrades or refurbishment work with the intent of keeping that work in the state rather than losing it to the new owner's state.
- **Casual Sale Exemption** – Some states exempt aircraft sales from sales tax if the aircraft seller is not an aircraft dealer and only occasionally sells an aircraft. However, in many cases when the seller is exempt from sales tax, the buyer may still be subject to the use tax provisions of the sales and use tax regulations.
- **Trade In Exemption** – This exemption allows the seller to deduct the price of the trade in aircraft from the price of the purchased aircraft before calculating the sales tax due.

As shown in **Table 5-5**, sales and use tax rates in the eight states range from a low of 4.2 percent up to 7.0 percent. Half of these states offer a casual sales tax exemption, including Kentucky. More than half offer a fly away exemption, although Kentucky is not among them. Finally, only two states do not offer a trade in exemption – Ohio and Virginia. It should be noted that even though Virginia does not offer a trade in exemption, it has recently lowered the sales and use tax rate on aircraft from 4.3 percent to 2 percent.

Table 5-5
Aircraft Sales and Use Tax Policies in Kentucky and Neighboring States

State	Aircraft Sales Tax Rate	Sales and Use Tax Exemption		
		Casual Sale	Fly Away	Trade In
Kentucky	6.0%	Yes	No	Yes
Illinois	6.3%	No	Yes	Yes
Indiana	7.0%	No	Yes	Yes
Missouri	4.2%	Yes	Yes	Yes
Ohio	5.8%	Yes	No	No
Tennessee	7.0%	No	Yes	Yes
Virginia	2.0%	No	Yes	No
West Virginia	6.0%	Yes	No	Yes

Source: Aircraft Owners and Pilots Association state advocacy reports, May 2016.

Property tax

Like many assets, general aviation aircraft may be subject to property tax – an annual tax based on the assessed value of the aircraft. How that value is assessed and the tax rate that is applied may be determined at the state or county level. Because of the variability in these methods and jurisdictions, this analysis will be limited to identifying those states that impose a property tax on aircraft. Of the eight states, five, including Kentucky, impose property taxes on general aviation aircraft, as shown in **Table 5-6**.

Table 5-6
Aircraft Property Taxes in Kentucky and Neighboring States

State	Aircraft Subject to Property Tax
Kentucky	Yes
Illinois	No
Indiana	No
Missouri	Yes
Ohio	No
Tennessee	Yes
Virginia	Yes
West Virginia	Yes

Note: Tennessee's property tax does not apply to individually owned aircraft, only to aircraft owned by a business.
Source: Aircraft Owners and Pilots Association state advocacy reports, May 2016.

Of the five states that impose property taxes on general aviation aircraft, it should be noted that Tennessee only imposes a property tax on business-owned aircraft. Personally owned aircraft are not subject to the Tennessee property tax.

Summary

This chapter examined some of the unique ways in which general aviation is used in Kentucky and compared several prominent general aviation tax policies used in Kentucky with those found in seven neighboring states. The analysis found that aviation education has a solid foundation in Kentucky and is taking advantage of opportunities to expand. EKU-A has expanded its aviation program through partnerships with KCTCS campuses across Kentucky and is pursuing additional growth options by collaborating with educational institutions out of state.

General aviation contributes to Kentucky's agricultural industry through aerial applicators that apply seeds, fertilizers, pesticides from the air. Even more uniquely, general aviation facilitates the equine industry through dedicated horse transportation flights, both domestically and internationally.

Medical care in Kentucky is enhanced through general aviation's ability to deliver timely and critical medical transport services. Kentucky's network of more than 30 air medical bases provides the state with access to air ambulance services that augment the quality of life in Kentucky.

Lastly, a comparison of Kentucky's general aviation tax policies with those of seven neighboring states showed where Kentucky could be considered competitive with other states, and where Kentucky's tax policies may not be as competitive with surrounding states.