



S.1140A (Gonzalez)/A.5891A (Carroll)

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BILL S.1140A (Gonzalez)/A.5891A (Carroll)
SUBJECT Opposition to establishing a tax on noise from non- essential helicopters and seaplanes
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OPPOSE

The Business Council of New York State strongly opposes S.1140A (Gonzalez)/A.5891A (Carroll) which establishes a tax on noise from non-essential helicopters and seaplanes while being a legally vulnerable, economically harmful, and poorly designed proposal that will raise costs, undermine affordability, and create significant uncertainty for businesses and workers across New York.

Although the bill is described as a “noise tax,” it doesn’t regulate noise in any meaningful or objective way. Instead, it imposes a flat per-seat or per-flight tax that bears no relationship to actual sound levels, flight duration, routing, altitude, or operating conditions. As drafted, the tax functions as a charge on air transportation itself rather than a narrowly tailored policy tool. Federal law strictly limits state taxation of air commerce and reserves aviation noise regulation to federally established processes. Courts have repeatedly rejected state efforts to repackage impermissible aviation taxes as environmental or regulatory measures. As a result, this bill does nothing but exposes the State to litigation risk and regulatory uncertainty.

The bill also attempts to regulate aviation activity based on whether a flight is deemed “essential” or “non-essential.” This distinction fails to reflect how aviation is actually used in New York. Helicopter and seaplane operations support a wide range of activities that contribute directly to the health, safety, and economic vitality of the State. These include medical coordination and patient transport support, public safety and emergency response assistance, film and television production, infrastructure inspection, business travel, tourism, and other time-sensitive commercial activity. Federal law expressly preempts states from regulating the prices, routes, or services of air carriers, including helicopter and seaplane operators engaged in commercial or charter activity. Conditioning taxation on the purpose of a flight represents an indirect but impermissible intrusion into an area of exclusive federal authority. To the extent the bill seeks to discourage certain operations, it also conflicts with federal requirements that mandate FAA review and approval before restrictions may be

imposed at public-use aviation facilities. The bill contains no mechanism to comply with those requirements, further underscoring its legal and operational shortcomings.

From an affordability standpoint, this bill is particularly concerning. The cost of this tax will inevitably be passed on to consumers and business users, increasing the price of helicopter and seaplane services in an already high-cost region. These increased costs will affect employers that rely on efficient transportation to remain competitive, as well as workers and customers who ultimately bear higher prices. This includes industries such as film and television production, which depend on flexible and time-efficient transportation and generate billions of dollars in economic activity and thousands of jobs statewide.

The bill also threatens economic activity and employment supported by aviation operations. Helicopter and seaplane services support thousands of direct and indirect jobs and play an important role in keeping New York's economy functioning efficiently. Even flights categorized as "non-essential" frequently support legitimate business needs, supply chains, and workforce mobility. A targeted and punitive tax on these operations risks reducing demand, constraining service, and placing downward pressure on employment in an industry already subject to extensive federal regulation. These concerns are magnified by the bill's implications for future transportation innovation and long-term affordability. New York has expressed interest in attracting advanced air mobility and electric vertical takeoff and landing technologies that promise improved efficiency and quieter performance. Yet these aircraft would operate in a manner similar to traditional helicopters and could fall within the bill's broad definition of "non-essential" flights. Enacting a new and legally uncertain tax sends a negative signal to investors and developers and places New York at a disadvantage as other states compete for emerging aviation industries.

The structure of the bill further illustrates its imbalance. The exemption for "quiet aircraft" depends on electric-powered models meeting complex federal decibel benchmarks, yet the required registry of qualifying aircraft will not be established until 2027. In the interim, operators face uncertainty with no clear compliance pathway. Compounding these issues, the bill authorizes a penalty equal to 400 percent of the tax due for failure to pay, an extraordinary and disproportionate sanction that is inappropriate for a new and complex tax regime. Finally, the bill directs revenues to the Environmental Protection Fund rather than to any aviation-specific program, reinforcing the disconnect between the stated rationale for the tax and its actual operation.

For these reasons, S.1140A (Gonzalez)/A.5891A (Carroll) should be rejected. The Business Council urges the Legislature to pursue lawful, targeted approaches that respect federal authority, protect affordability, recognize the legitimate uses of aviation, preserve jobs, and maintain New York's economic competitiveness.