

Stricken language would be deleted from and underlined language would be added to present law.
Act 1182 of the Regular Session

State of Arkansas
90th General Assembly
Regular Session, 2015

As Engrossed: H3/25/15
A Bill

HOUSE BILL 1662

By: Representatives Jett, *Bell*
By: Senator Files

For An Act To Be Entitled

AN ACT CONCERNING SALES AND USE TAX EXEMPTIONS
RELATED TO AIRCRAFT; TO EXEMPT FROM THE SALES AND USE
TAX CERTAIN SERVICES AND PARTS AND OTHER PROPERTY
INCORPORATED INTO COMMERCIAL JET AIRCRAFT OF A
CERTAIN WEIGHT; TO PROVIDE A SALES AND USE TAX
EXEMPTION FOR SALES OF AIRCRAFT UNDER CERTAIN
CIRCUMSTANCES; TO DECLARE AN EMERGENCY; AND FOR OTHER
PURPOSES.

Subtitle

*TO EXEMPT FROM THE SALES AND USE TAX
CERTAIN SERVICES AND PARTS RELATED TO
COMMERCIAL JET AIRCRAFT; TO PROVIDE A
SALES AND USE TAX EXEMPTION FOR SALES OF
CERTAIN AIRCRAFT; AND TO DECLARE AN
EMERGENCY.*

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 26-52-401(28), concerning exemptions from the sales and use tax for certain products and services, is amended to read as follows:

(28)(A) Parts or other tangible personal property incorporated into or ~~which~~ that become a part of commercial jet aircraft components, or commercial jet aircraft subcomponents, and the services required to incorporate the parts or other tangible personal property or otherwise make



the parts or other tangible personal property part of a commercial jet aircraft component or commercial jet aircraft subcomponent.

(B) As used in this subdivision (28), "commercial jet aircraft" means ~~any~~ a commercial, military, private, or other turbine or turbo jet aircraft having a certified maximum take-off weight of ~~more than~~ twelve thousand five hundred pounds (12,500 lbs.) or more;

SECTION 2. Arkansas Code Title 26, Chapter 52, Subchapter 4, is amended to add an additional section to read as follows:

26-52-451. Sales of certain aircraft.

(a) The gross receipts or gross proceeds derived from the sale of an aircraft within the state are exempt from the gross receipts tax levied under this chapter and the compensating use tax levied by the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq. if the aircraft is sold by a person that is the resident of another state to a purchaser that:

- (1) Is a resident of another state; and
- (2) Will base the aircraft outside of the State of Arkansas.

(b) The fact that a purchaser takes possession of an aircraft in this state does not prevent the application of the exemption provided in this section if the purchaser takes possession of the aircraft for the sole purpose of:

- (1) Removing the aircraft from this state under its own power;

or

(2) Locating the aircraft at a maintenance facility in this state for the time period necessary to complete maintenance or modifications to the aircraft if the aircraft is removed from this state upon completion of the maintenance or modifications.

SECTION 3. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that the current statutes governing the taxes applicable to certain aircraft sales hinder the ability of certain service providers to earn a living; that amending the law will provide additional opportunities for Arkansas citizens to obtain work; and that this act is immediately necessary because it is important to Arkansas's economy to encourage and enable the state's citizens to obtain these types of service contracts whenever possible. Therefore, an emergency is declared to exist,

and this act being immediately necessary for the preservation of the public peace, health, and safety shall become effective on:

(1) The date of its approval by the Governor;

(2) If the bill is neither approved nor vetoed by the Governor, the expiration of the period of time during which the Governor may veto the bill; or

(3) If the bill is vetoed by the Governor and the veto is overridden, the date the last house overrides the veto.

/s/Jett

APPROVED: 04/07/2015