

State of Arkansas  
91st General Assembly  
Regular Session, 2017

As Engrossed: H3/10/17  
**A Bill**

HOUSE BILL 2278

By: Representative Jett

### For An Act To Be Entitled

AN ACT TO AMEND THE SALES TAX EXEMPTION FOR SALES OF  
*AIRCRAFT; TO DECLARE AN EMERGENCY;*

#### Subtitle

*TO AMEND THE SALES 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 § 26-52-451(a), concerning the sales tax exemption for sales of certain aircraft, is amended to read as follows:*

*(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~~:*

*(1) Person that is the resident of another state to a purchaser that:*

*~~(1)~~ (A) Is a resident of another state; and*

*~~(2)~~ (B) Will base the aircraft outside of the State of Arkansas; or*

*(2) Seller located in this state and the aircraft that is sold:*

*(A) Has a certified maximum take-off weight of more than nine thousand five hundred pounds (9,500 lbs); and*

*(B) Will be based outside of the State of Arkansas, notwithstanding the fact that possession of the aircraft may be taken in this state for the sole purpose of removing the aircraft from the state under its*



own power.

(3) As used in this subsection, "maximum take-off weight" means the maximum gross weight due to design or operational limitations at which an aircraft is permitted to take off.

SECTION 2. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that the aviation industry is a vital contributor to the Arkansas economy; that current provisions of state law regarding the taxation of aircraft inhibit the growth of the aviation industry in Arkansas and adversely affect employment opportunities for our citizens; that this act amends current state tax law to encourage the growth and development of the aviation industry in Arkansas; and that this act is immediately necessary to prevent further harm to the Arkansas economy. 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: 03/23/2017**