

Stricken language would be deleted from and underlined language would be added to present law.
Act 879 of the Regular Session

State of Arkansas
95th General Assembly
Regular Session, 2025

As Engrossed: H4/7/25

A Bill

HOUSE BILL 1807

By: Representatives Eaves, A. Collins, M. Brown, Magie, Lundstrum

By: Senators J. Payton, D. Wallace

For An Act To Be Entitled

AN ACT TO AMEND THE SALES TAX EXEMPTION FOR AIRCRAFT HELD FOR RESALE AND USED FOR RENTAL OR CHARTER; TO CLARIFY THE PERSONS ELIGIBLE FOR THE SALES TAX EXEMPTION FOR AIRCRAFT HELD FOR RESALE AND USED FOR RENTAL OR CHARTER; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE SALES TAX EXEMPTION FOR AIRCRAFT HELD FOR RESALE AND USED FOR RENTAL OR CHARTER; AND TO CLARIFY THE PERSONS ELIGIBLE FOR THE SALES TAX EXEMPTION FOR AIRCRAFT HELD FOR RESALE AND USED FOR RENTAL OR CHARTER.

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

SECTION 1. Arkansas Code § 26-52-409(a), concerning the sales tax exemption for aircraft held for resale and used for rental or charter, is amended to read as follows:

(a)(1) Any person, whether an established business or an individual, that is engaged in the business of selling aircraft in this state, ~~and holding~~ holds a retail sales tax permit, and holds aircraft in stock for resale may purchase aircraft exempt for resale and use the aircraft for rental or charter service without payment of sales or use tax for a period of not to exceed one (1) year from the date of purchase of the aircraft.

(2) In the case of aircraft purchased for resale which require substantial modification or substantial refurbishing prior to resale, the



purchaser may use the aircraft for rental or charter service without payment of sales or use tax for a period of not to exceed two (2) years from the date of purchase of the aircraft.

(3) As used in this subsection, "business of selling aircraft" means the purchase of aircraft for stock in trade and the management of aircraft inventory for the primary purpose of generating a profit from the resale of aircraft to customers.

SECTION 2. Arkansas Code § 26-52-409, concerning the sales tax exemption for aircraft held for resale and used for rental or charter, is amended to add additional subsections to read as follows:

(e)(1) A transaction in which a person acquires an aircraft for the purpose of renting or leasing the aircraft in the ordinary course of the person's business is exempt under this section only if the person establishes that the annual amount of the gross revenue derived from renting or leasing the aircraft, including any revenue from related party transactions, is equal to at least seven and five-tenths percent (7.5%) of the net acquisition price for the aircraft, including the value of any trade or exchange and excluding any sales commission paid to a third party.

(2) The Department of Finance and Administration shall promulgate rules to prescribe the method of establishing the annual amount of gross lease revenue derived from renting or leasing an aircraft under this subsection.

(f) The exemption allowed under this section applies regardless of the relationship, if any, between the person providing the aircraft for rent or lease and the person renting or leasing the aircraft.

SECTION 3. EFFECTIVE DATE. Sections 1 and 2 of this act are effective on the first day of the calendar quarter following the effective date of this act.

/s/Eaves

APPROVED: 4/17/25