

1 **State of Arkansas**  
2 **80th General Assembly**  
3 **Regular Session, 1995**  
4 **By: Senator Bell**

# **A Bill**

**ACT 499 OF 1995**  
**SENATE BILL 269**

## **For An Act To Be Entitled**

8 "AN ACT TO AMEND ARKANSAS CODE 26-52-409 (a) CONCERNING  
9 AIRCRAFT HELD FOR RESALE AND USED FOR RENTAL OR CHARTER;  
10 AND FOR OTHER PURPOSES."

### **Subtitle**

14 "AN ACT CONCERNING AIRCRAFT HELD FOR  
15 RESALE AND USED FOR RENTAL OR CHARTER."

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

19 *SECTION 1. Ark. Code Ann. §26-52-409 is amended to read as follows:*

20 *"(a) Any person, whether an established business or an individual,*  
21 *engaged in the business of selling aircraft in this state and holding a retail*  
22 *sales tax permit, may purchase aircraft exempt for resale and use the aircraft*  
23 *for rental or charter service without payment of sales or use tax for a period*  
24 *of not to exceed one (1) year from the date of purchase of the aircraft. In*  
25 *the case of aircraft purchased for resale which require substantial*  
26 *modification or substantial refurbishing prior to resale, the purchaser may*  
27 *use the aircraft for rental or charter service without payment of sales or use*  
28 *tax for a period of not to exceed two (2) years from the date of purchase of*  
29 *the aircraft.*

30 *(b) The use of the aircraft for rental or charter during the applicable*  
31 *one (1) or two (2) year holding period described in subsection (a) of this*  
32 *section shall not constitute a withdrawal from stock and the purchaser shall*  
33 *not be required to pay the sales tax on the purchase price of the aircraft*  
34 *held in stock and used for such purposes. The aircraft purchaser shall*  
35 *collect and remit gross receipts and short term rental tax on the rentals and*  
36 *shall subsequently collect and remit the gross receipts tax on the aircraft at*

1 the time of subsequent sale in the manner required by law. If the purchaser  
2 fails to sell the aircraft during the applicable holding period, the purchaser  
3 shall be liable for sales or use tax on his purchase price of the aircraft."  
4

5 SECTION 2. All provisions of this act of a general and permanent  
6 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas  
7 Code Revision Commission shall incorporate the same in the Code.  
8

9 SECTION 3. If any provision of this act or the application thereof to  
10 any person or circumstance is held invalid, such invalidity shall not affect  
11 other provisions or applications of the act which can be given effect without  
12 the invalid provision or application, and to this end the provisions of this  
13 act are declared to be severable.  
14

15 SECTION 4. All laws and parts of laws in conflict with this act are  
16 hereby repealed.  
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18 SECTION 5. EMERGENCY. It is hereby found and determined by the General  
19 Assembly that persons engaged in the business of buying, refurbishing and  
20 reselling aircraft are at a competitive disadvantage with other aircraft  
21 sellers; that the one year tax-free holding period that currently exists is  
22 not an adequate amount of time to refurbish and resell aircraft used in rental  
23 or charter services; that there is a need to clarify that gross receipts and  
24 short term rental tax are due on aircraft rented during the holding period;  
25 and that this act will accomplish those purposes. Therefore, an emergency is  
26 hereby declared to exist and this act being necessary for the immediate  
27 preservation of the public peace, health and safety shall be in full force and  
28 effect from and after its passage and approval.  
29

30 /s/Bell  
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33 APPROVED: 3-1-95  
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