

1 State of Arkansas
2 90th General Assembly
3 Regular Session, 2015
4

As Engrossed: H3/25/15
A Bill

HOUSE BILL 1662

5 By: Representatives Jett, *Bell*
6 By: Senator Files
7

8 **For An Act To Be Entitled**

9 AN ACT CONCERNING SALES AND USE TAX EXEMPTIONS
10 RELATED TO AIRCRAFT; TO EXEMPT FROM THE SALES AND USE
11 TAX CERTAIN SERVICES AND PARTS AND OTHER PROPERTY
12 INCORPORATED INTO COMMERCIAL JET AIRCRAFT OF A
13 CERTAIN WEIGHT; TO PROVIDE A SALES AND USE TAX
14 EXEMPTION FOR SALES OF AIRCRAFT UNDER CERTAIN
15 *CIRCUMSTANCES; TO DECLARE AN EMERGENCY; AND FOR OTHER*
16 *PURPOSES.*
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19 **Subtitle**

20 *TO EXEMPT FROM THE SALES AND USE TAX*
21 *CERTAIN SERVICES AND PARTS RELATED TO*
22 *COMMERCIAL JET AIRCRAFT; TO PROVIDE A*
23 *SALES AND USE TAX EXEMPTION FOR SALES OF*
24 *CERTAIN AIRCRAFT; AND TO DECLARE AN*
25 *EMERGENCY.*
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28 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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30 SECTION 1. Arkansas Code § 26-52-401(28), concerning exemptions from
31 the sales and use tax for certain products and services, is amended to read
32 as follows:

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



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

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

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

10 26-52-451. Sales of certain aircraft.

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

16 (1) Is a resident of another state; and

17 (2) Will base the aircraft outside of the State of Arkansas.

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

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

23 or

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

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

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

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

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

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

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10 /s/Jett

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13 **APPROVED: 04/07/2015**

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