

1 State of Arkansas  
2 91st General Assembly  
3 Regular Session, 2017  
4  
5 By: Representative Jett  
6

As Engrossed: H3/10/17

# A Bill

HOUSE BILL 2278

## For An Act To Be Entitled

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

### Subtitle

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12 TO AMEND THE SALES TAX EXEMPTION FOR  
13 SALES OF CERTAIN AIRCRAFT; AND TO DECLARE  
14 AN EMERGENCY.  
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18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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20 SECTION 1. Arkansas Code § 26-52-451(a), concerning the sales tax  
21 exemption for sales of certain aircraft, is amended to read as follows:

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

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

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

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

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

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

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



1 own power.

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

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6 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the  
7 General Assembly of the State of Arkansas that the aviation industry is a  
8 vital contributor to the Arkansas economy; that current provisions of state  
9 law regarding the taxation of aircraft inhibit the growth of the aviation  
10 industry in Arkansas and adversely affect employment opportunities for our  
11 citizens; that this act amends current state tax law to encourage the growth  
12 and development of the aviation industry in Arkansas; and that this act is  
13 immediately necessary to prevent further harm to the Arkansas economy.  
14 Therefore, an emergency is declared to exist, and this act being immediately  
15 necessary for the preservation of the public peace, health, and safety shall  
16 become effective on:

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

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

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

23 /s/Jett

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26 **APPROVED: 03/23/2017**