

Department of Finance and Administration

Legislative Impact Statement

Bill: HB1010

Bill Subtitle: TO AMEND THE SALES AND USE TAX EXEMPTION FOR SALES OF CERTAIN AIRCRAFT.

Basic Change :

Sponsor: Rep. Jett

HB1010 amends the existing sales and use tax exemption under § 26-52-451 for sales of aircraft by in-state sellers by removing the requirement that the "maximum take-off weight" of the aircraft be more than 9,500 pounds. § 26-52-451 currently provides that the sale of an aircraft by a seller located within Arkansas would qualify for a sales and use tax exemption if:

- (1) The aircraft has a maximum take-off weight of more than 9,500 pounds; and
- (2) The aircraft will be based outside of the State of Arkansas.

The bill also removes the definition of "maximum take-off weight" as no longer being necessary within § 26-52-451. HB1010 would be effective on October 1, 2021.

Revenue Impact :

Nominal.

Taxpayer Impact :

Arkansas sellers of aircraft would no longer be required to collect sales and use tax when a consumer of another state purchases and takes possession of the aircraft within the State of Arkansas to be based in another state.

Resources Required :

None.

Time Required :

Adequate time is provided for implementation.

Procedural Changes :

Updates to the sales and use tax rules will need to be promulgated.

Other Comments :

None.

Legal Analysis :

None.