



Legislative Council Staff

Research Note

Version: Final

Date: 10/6/2016

Bill Number

House Bill 16-1119

Sponsors

***Representative Thurlow
Senator Holbert***

Short Title

***Modify Sales & Use Tax
Exemption For Aircraft***

Research Analyst

Luisa Altmann (x3518)

Status

This research note reflects the final version of the bill, which became effective on March 23, 2016.

Summary

This bill expands sales and use tax exemptions for aircraft. Under the bill, aircraft undergoing maintenance, interior refurbishment, paint, or engine work associated with a sale are exempted from sales and use tax, provided that:

- the aircraft is removed from the state within 30 days after completion of these services;
- the purchaser provides an affidavit stating that he or she is not a resident of the state; and
- the aircraft will not be in the state for more than 73 days in any of the three calendar years following the aircraft's initial removal from the state.

Background

Under current law, aircraft purchases are subject to state sales or use tax unless they satisfy the requirements for an exemption. House Bill 08-1261 created an exemption for aircraft to be used outside of the state, provided that the aircraft is removed from the state within 120 days after the date of sale. This bill allows aircraft to remain in the state until 120 days after the date of sale or 30 days after completion of maintenance or refurbishment, whichever is later.

This research note was prepared by Legislative Council Staff, the nonpartisan research staff for the Colorado General Assembly. The research note is provided for informational purposes only and should not be relied upon as an official record of action by the General Assembly. Legislative Council Staff are not attorneys, and the research note is not a legal opinion. If you have legal questions about the bill, including questions about the meaning of the bill language or amendments, please contact the drafter.

House Action

House Business Affairs and Labor Committee (February 4, 2016). At the hearing, representatives from West Star Aviation and the Mesa County Board of Commissioners testified in support of the bill. A representative from the Colorado Department of Revenue responded to questions from the committee. The committee referred the bill, unamended, to the House Committee of the Whole.

House second reading (February 8, 2016). The House passed the bill, unamended, on second reading.

House third reading (February 9, 2016). The House passed the bill, unamended, on third reading.

Senate Action

Senate Finance Committee (March 1, 2016). At the hearing, representatives from the Centennial Airport, Associated Governments of Northern Colorado, Colorado Springs Regional Business Alliance, and Colorado Competitive Council testified in support of the bill. The committee referred the bill, unamended, to the Senate Committee of the Whole with a recommendation that it be placed on the consent calendar.

Senate second reading (March 4, 2016). The Senate passed the bill, unamended, on second reading.

Senate third reading (March 7, 2016). The Senate passed the bill, unamended, on third reading.