

# An Act

HOUSE BILL 18-1083

BY REPRESENTATIVE(S) Kraft-Tharp and Sias, McKean, Gray, Rosenthal, Winkler, Liston;  
also SENATOR(S) Tate and Williams A., Coram, Crowder, Gardner, Hill, Holbert, Lambert, Lundberg, Marble, Martinez Humenik, Priola, Scott, Sonnenberg.

CONCERNING A SALES AND USE TAX EXEMPTION FOR AIRCRAFT TO BE USED  
BY ON-DEMAND AIR CARRIERS.

*Be it enacted by the General Assembly of the State of Colorado:*

**SECTION 1. Legislative declaration.** (1) The general assembly hereby finds and declares:

(a) That the intended purpose of this act is to place additional aircraft in commercial service in Colorado, which will increase jobs related to their operation;

(b) A recent survey of several Colorado-based on-demand air carriers reflected that, on average, each aircraft creates slightly more than five jobs to support its operation;

(c) Colorado has a multitude of on-demand air carriers that will have

increased access to additional aircraft as a result of this exemption;

(d) The exemption will help current on-demand air carriers to update their fleet with newer aircraft with enhanced safety features; and

(e) Colorado's rural communities will benefit through additional service because service providers critical to rural communities, such as medical support, rely on on-demand air carriers to access communities with no commercial airline service.

**SECTION 2.** In Colorado Revised Statutes, 39-26-711, **amend** (1) introductory portion and (2) introductory portion; and **add** (1)(c), (2)(c), (3), and (4) as follows:

**39-26-711. Aircraft - tangible personal property - definition.**

(1) The following ~~shall be~~ ARE exempt from taxation under the provisions of part 1 of this ~~article~~ ARTICLE 26:

(c) EFFECTIVE JANUARY 1, 2019, THE SALE OF AIRCRAFT USED OR PURCHASED FOR USE IN INTERSTATE OR INTRASTATE COMMERCE BY AN ON-DEMAND AIR CARRIER.

(2) The following ~~shall be~~ ARE exempt from taxation under the provisions of part 2 of this ~~article~~ ARTICLE 26:

(c) EFFECTIVE JANUARY 1, 2019, THE STORAGE, USE, OR CONSUMPTION OF AIRCRAFT USED OR PURCHASED FOR USE IN INTERSTATE OR INTRASTATE COMMERCE BY AN ON-DEMAND AIR CARRIER.

(3) FOR PURPOSES OF THIS SECTION, "ON-DEMAND AIR CARRIER" MEANS AN ENTITY AUTHORIZED BY THE FEDERAL AVIATION ADMINISTRATION TO OPERATE AN AIRCRAFT TO TRANSPORT PEOPLE OR PROPERTY IN COMPLIANCE WITH THE CERTIFICATION AND OPERATIONS REQUIREMENTS SET FORTH IN 14 CFR 125, 133, OR 135.

(4) NOTWITHSTANDING THE EXEMPTIONS PROVIDED FOR IN SUBSECTIONS (1)(c) AND (2)(c) OF THIS SECTION, ANY SPECIAL DISTRICT OR OTHER LIMITED PURPOSE GOVERNMENTAL ENTITY THAT IS AUTHORIZED BY LAW TO LEVY SALES TAX UPON ALL TRANSACTIONS OR INCIDENTS WITH RESPECT TO WHICH THE STATE LEVIES SALES TAX, REGARDLESS OF WHETHER

THE AUTHORIZATION SPECIFICALLY REFERENCES THIS ARTICLE 26, SHALL, IF IT LEVIES SALES TAX, LEVY THE TAX ON THE ITEMS EXEMPTED IN SUBSECTIONS (1)(c) AND (2)(c) OF THIS SECTION.

**SECTION 3.** In Colorado Revised Statutes, 29-2-105, add (1)(d)(I)(P) as follows:

**29-2-105. Contents of sales tax ordinances and proposals - repeal.** (1) The sales tax ordinance or proposal of any incorporated town, city, or county adopted pursuant to this article shall be imposed on the sale of tangible personal property at retail or the furnishing of services, as provided in subsection (1)(d) of this section. Any countywide or incorporated town or city sales tax ordinance or proposal shall include the following provisions:

(d) (I) A provision that the sale of tangible personal property and services taxable pursuant to this article shall be the same as the sale of tangible personal property and services taxable pursuant to section 39-26-104, except as otherwise provided in this subsection (1)(d). The sale of tangible personal property and services taxable pursuant to this article shall be subject to the same sales tax exemptions as those specified in part 7 of article 26 of title 39; except that the sale of the following may be exempted from a town, city, or county sales tax only by the express inclusion of the exemption either at the time of adoption of the initial sales tax ordinance or resolution or by amendment thereto:

(P) THE ON-DEMAND AIR CARRIER EXEMPTIONS SET FORTH IN SECTION 39-26-711 (1)(c) AND (2)(c).

**SECTION 4. Safety clause.** The general assembly hereby finds,

determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.



Crisanta Duran  
SPEAKER OF THE HOUSE  
OF REPRESENTATIVES



Kevin J. Grantham  
PRESIDENT OF  
THE SENATE

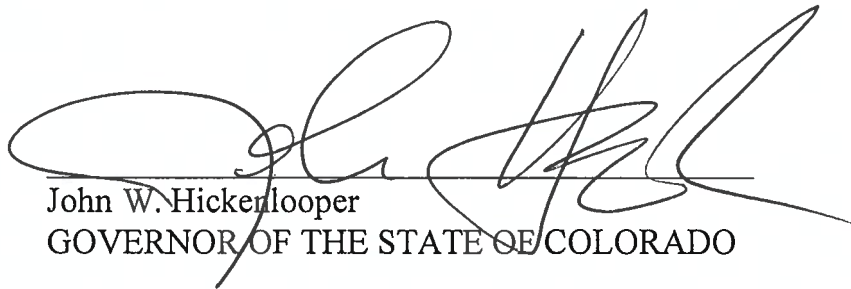


Marilyn Eddins  
CHIEF CLERK OF THE HOUSE  
OF REPRESENTATIVES



Effie Ameen  
SECRETARY OF  
THE SENATE

VETOED & DISAPPROVED 3:11 PM 6/5/18



John W. Hickenlooper  
GOVERNOR OF THE STATE OF COLORADO