

1 HB410  
2 210359-3  
3 By Representative Lee  
4 RFD: Ways and Means Education  
5 First Read: 11-FEB-21

SYNOPSIS: Under existing law, the gross receipts from the sale of parts, components, and systems that become a part of a fixed or rotary wing military aircraft and that satisfy other criteria are exempt from taxation until May 30, 2022.

This bill would extend the tax exemption until May 30, 2032, and would delete language providing for its extension by joint resolution.

A BILL  
TO BE ENTITLED  
AN ACT

Relating to taxation; to amend Section 40-23-4, Code of Alabama 1975, as amended by Act 2019-444 of the 2019 Regular Session, to extend the tax exemption for gross receipts from the sale of certain parts, components, and systems that become part of certain military aircraft; and to delete language providing for extension of the tax credit by joint resolution.

1 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

2 Section 1. Section 40-23-4, Code of Alabama 1975, as  
3 amended by Act 2019-444 of the 2019 Regular Session, is  
4 amended to read as follows:

5 "§40-23-4.

6 "(a) There are exempted from the provisions of this  
7 division and from the computation of the amount of the tax  
8 levied, assessed, or payable under this division the  
9 following:

10 "(1) The gross proceeds of the sales of lubricating  
11 oil and gasoline as defined in Sections 40-17-30 and 40-17-170  
12 and the gross proceeds from those sales of lubricating oil  
13 destined for out-of-state use which are transacted in a manner  
14 whereby an out-of-state purchaser takes delivery of such oil  
15 at a distributor's plant within this state and transports it  
16 out-of-state, which are otherwise taxed.

17 (2) The gross proceeds of the sale, or sales, of  
18 fertilizer when used for agricultural purposes. The word  
19 "fertilizer" shall not be construed to include cottonseed  
20 meal, when not in combination with other materials.

21 (3) The gross proceeds of the sale, or sales, of  
22 seeds for planting purposes and baby chicks and poults.  
23 Nothing herein shall be construed to exempt or exclude from  
24 the computation of the tax levied, assessed, or payable, the  
25 gross proceeds of the sale or sales of plants, seedlings,  
26 nursery stock, or floral products.

1           (4) The gross proceeds of sales of insecticides and  
2 fungicides when used for agricultural purposes or when used by  
3 persons properly permitted by the Department of Agriculture  
4 and Industries or any applicable local or state governmental  
5 authority for structural pest control work and feed for  
6 livestock and poultry, but not including prepared food for  
7 dogs and cats.

8           (5) The gross proceeds of sales of all livestock by  
9 whomsoever sold, and also the gross proceeds of poultry and  
10 other products of the farm, dairy, grove, or garden, when in  
11 the original state of production or condition of preparation  
12 for sale, when such sale or sales are made by the producer or  
13 members of his immediate family or for him by those employed  
14 by him to assist in the production thereof. Nothing herein  
15 shall be construed to exempt or exclude from the measure or  
16 computation of the tax levied, assessed, or payable hereunder,  
17 the gross proceeds of sales of poultry or poultry products  
18 when not products of the farm.

19           (6) Cottonseed meal exchanged for cottonseed at or  
20 by cotton gins.

21           (7) The gross receipts from the business on which,  
22 or for engaging in which, a license or privilege tax is levied  
23 by or under the provisions of Sections 40-21-50, 40-21-53, and  
24 40-21-56 through 40-21-60; provided, that nothing contained in  
25 this subdivision shall be construed to exempt or relieve the  
26 person or persons operating the business enumerated in said  
27 sections from the payments of the tax levied by this division

1 upon or measured by the gross proceeds of sales of any  
2 tangible personal property, except gas and water, the gross  
3 receipts from the sale of which are the measure of the tax  
4 levied by said Section 40-21-50, merchandise or other tangible  
5 commodities sold at retail by said persons, unless the gross  
6 proceeds of sale thereof are otherwise specifically exempted  
7 by the provisions of this division.

8 (8) The gross proceeds of sales or gross receipts of  
9 or by any person, firm, or corporation, from the sale of  
10 transportation, gas, water, or electricity, of the kinds and  
11 natures, the rates and charges for which, when sold by public  
12 utilities, are customarily fixed and determined by the Public  
13 Service Commission of Alabama or like regulatory bodies.

14 (9) The gross proceeds of the sale, or sales of wood  
15 residue, coal, or coke to manufacturers, electric power  
16 companies, and transportation companies for use or consumption  
17 in the production of by-products, or the generation of heat or  
18 power used in manufacturing tangible personal property for  
19 sale, for the generation of electric power or energy for use  
20 in manufacturing tangible personal property for sale or for  
21 resale, or for the generation of motive power for  
22 transportation.

23 (10) The gross proceeds from the sale or sales of  
24 fuel and supplies for use or consumption aboard ships,  
25 vessels, towing vessels, or barges, or drilling ships, rigs or  
26 barges, or seismic or geophysical vessels, or other watercraft  
27 (herein for purposes of this exemption being referred to as

1 "vessels") engaged in foreign or international commerce or in  
2 interstate commerce; provided, that nothing in this division  
3 shall be construed to exempt or exclude from the measure of  
4 the tax herein levied the gross proceeds of sale or sales of  
5 material and supplies to any person for use in fulfilling a  
6 contract for the painting, repair, or reconditioning of  
7 vessels, barges, ships, other watercraft, and commercial  
8 fishing vessels of over five tons load displacement as  
9 registered with the U.S. Coast Guard and licensed by the State  
10 of Alabama Department of Conservation and Natural Resources.

11 For purposes of this subdivision, it shall be  
12 presumed that vessels engaged in the transportation of cargo  
13 between ports in the State of Alabama and ports in foreign  
14 countries or possessions or territories of the United States  
15 or between ports in the State of Alabama and ports in other  
16 states are engaged in foreign or international commerce or  
17 interstate commerce, as the case may be. For the purposes of  
18 this subdivision, the engaging in foreign or international  
19 commerce or interstate commerce shall not require that the  
20 vessel involved deliver cargo to or receive cargo from a port  
21 in the State of Alabama. For purposes of this subdivision,  
22 vessels carrying passengers for hire, and no cargo, between  
23 ports in the State of Alabama and ports in foreign countries  
24 or possessions or territories of the United States or between  
25 ports in the State of Alabama and ports in other states shall  
26 be engaged in foreign or international commerce or interstate  
27 commerce, as the case may be, if, and only if, both of the

1 following conditions are met: (i) The vessel in question is a  
2 vessel of at least 100 gross tons; and (ii) the vessel in  
3 question has an unexpired certificate of inspection issued by  
4 the United States Coast Guard or by the proper authority of a  
5 foreign country for a foreign vessel, which certificate is  
6 recognized as acceptable under the laws of the United States.  
7 Vessels that are engaged in foreign or international commerce  
8 or interstate commerce shall be deemed for the purposes of  
9 this subdivision to remain in such commerce while awaiting or  
10 under repair in a port of the State of Alabama if such vessel  
11 returns after such repairs are completed to engaging in  
12 foreign or international commerce or interstate commerce. For  
13 purposes of this subdivision, seismic or geophysical vessels  
14 which are engaged either in seismic or geophysical tests or  
15 evaluations exclusively in offshore federal waters or in  
16 traveling to or from conducting such tests or evaluations  
17 shall be deemed to be engaged in international or foreign  
18 commerce. For purposes of this subdivision, proof that fuel  
19 and supplies purchased are for use or consumption aboard  
20 vessels engaged in foreign or international commerce or in  
21 interstate commerce may be accomplished by the merchant or  
22 seller securing the duly signed certificate of the vessel  
23 owner, operator, or captain or their respective agent, on a  
24 form prescribed by the department, that the fuel and supplies  
25 purchased are for use or consumption aboard vessels engaged in  
26 foreign or international commerce or in interstate commerce.  
27 Any person filing a false certificate shall be guilty of a

1        misdemeanor and upon conviction shall be fined not less than  
2        \$25 nor more than \$500 for each offense. Each false  
3        certificate filed shall constitute a separate offense. Any  
4        person filing a false certificate shall be liable to the  
5        department for all taxes imposed by this division upon the  
6        merchant or seller, together with any interest or penalties  
7        thereon, by reason of the sale or sales of fuel and supplies  
8        applicable to such false certificate. If a merchant or seller  
9        of fuel and supplies secures the certificate herein mentioned,  
10       properly completed, such merchant or seller shall not be  
11       liable for the taxes imposed by this division, if such  
12       merchant or seller had no knowledge that such certificate was  
13       false when it was filed with such merchant or seller.

14                (11) The gross proceeds of sales of tangible  
15       personal property to the State of Alabama, to the counties  
16       within the state and to incorporated municipalities of the  
17       State of Alabama.

18                (12) The gross proceeds of the sale or sales of  
19       railroad cars, vessels, barges, and commercial fishing vessels  
20       of over five tons load displacement as registered with the  
21       U.S. Coast Guard and licensed by the State of Alabama  
22       Department of Conservation and Natural Resources, when sold by  
23       the manufacturers or builders thereof.

24                (13) The gross proceeds of the sale or sales of  
25       materials, equipment, and machinery that, at any time, enter  
26       into and become a component part of ships, vessels, towing  
27       vessels or barges, or drilling ships, rigs or barges, or



1 seismic or geophysical vessels, other watercraft and  
2 commercial fishing vessels of over five tons load displacement  
3 as registered with the U.S. Coast Guard and licensed by the  
4 State of Alabama Department of Conservation and Natural  
5 Resources. Additionally, the gross proceeds from the sale or  
6 sales of lifeboats, personal flotation devices, ring life  
7 buoys, survival craft equipment, distress signals, EPIRB's,  
8 fire extinguishers, injury placards, waste management plans  
9 and logs, marine sanitation devices, navigation rulebooks,  
10 navigation lights, sound signals, navigation day shapes, oil  
11 placard cards, garbage placards, FCC SSL, stability  
12 instructions, first aid equipment, compasses, anchor and radar  
13 reflectors, general alarm systems, bilge pumps, piping, and  
14 discharge and electronic position fixing devices which are  
15 used on the aforementioned watercraft.

16 (14) The gross proceeds of the sale or sales of fuel  
17 oil purchased as fuel for kiln use in manufacturing  
18 establishments.

19 (15) The gross proceeds of the sale or sales of  
20 tangible personal property to county and city school boards  
21 within the State of Alabama, independent school boards within  
22 the State of Alabama, all educational institutions and  
23 agencies of the State of Alabama, the counties within the  
24 state, or any incorporated municipalities of the State of  
25 Alabama, and private educational institutions operating within  
26 the State of Alabama offering conventional and traditional  
27 courses of study, such as those offered by public schools,

1 colleges, or universities within the State of Alabama; but not  
2 including nurseries, day care centers, and home schools.

3 (16) The gross proceeds from the sale of all devices  
4 or facilities, and all identifiable components thereof, or  
5 materials for use therein, acquired primarily for the control,  
6 reduction, or elimination of air or water pollution and the  
7 gross proceeds from the sale of all identifiable components  
8 of, or materials used or intended for use in, structures built  
9 primarily for the control, reduction, or elimination of air  
10 and water pollution.

11 (17) The gross proceeds of sales of tangible  
12 personal property or the gross receipts of any business which  
13 the state is prohibited from taxing under the Constitution or  
14 laws of the United States or under the Constitution of this  
15 state.

16 (18) When dealers or distributors use parts taken  
17 from stocks owned by them in making repairs without charge for  
18 such parts to the owner of the property repaired pursuant to  
19 warranty agreements entered into by manufacturers, such use  
20 shall not constitute taxable sales to the manufacturers,  
21 distributors, or to the dealers, under this division or under  
22 any county sales tax law.

23 (19) The gross proceeds received from the sale or  
24 furnishing of food, including potato chips, candy, fruit and  
25 similar items, soft drinks, tobacco products, and stationery  
26 and other similar or related articles by hospital canteens  
27 operated by Alabama state hospitals at Bryce Hospital and

1 Partlow State School for Mental Deficients at Tuscaloosa,  
2 Alabama, and Searcy Hospital at Mt. Vernon, Alabama, for the  
3 benefit of the patients therein.

4 (20) The gross proceeds of the sale, or sales, of  
5 wrapping paper and other wrapping materials when used in  
6 preparing poultry or poultry products for delivery, shipment,  
7 or sale by the producer, processor, packer, or seller of such  
8 poultry or poultry products, including pallets used in  
9 shipping poultry and egg products, paper or other materials  
10 used for lining boxes or other containers in which poultry or  
11 poultry products are packed together with any other materials  
12 placed in such containers for the delivery, shipment, or sale  
13 of poultry or poultry products.

14 (21) The gross proceeds of the sales of all  
15 antibiotics, hormones and hormone preparations, drugs,  
16 medicines or medications, vitamins, minerals or other  
17 nutrients, and all other feed ingredients including  
18 concentrates, supplements, and other feed ingredients when  
19 such substances are used as ingredients in mixing and  
20 preparing feed for fish raised to be sold on a commercial  
21 basis, livestock, and poultry. Such exemption herein granted  
22 shall be in addition to exemptions now provided by law for  
23 feed for fish raised to be sold on a commercial basis,  
24 livestock, and poultry, but not including prepared foods for  
25 dogs or cats.

26 (22) The gross proceeds of the sale, or sales, of  
27 seedlings, plants, shoots, and slips which are to be used for

1 planting vegetable gardens or truck farms and other  
2 agricultural purposes. Nothing herein shall be construed to  
3 exempt, or exclude from the computation of the tax levied,  
4 assessed, or payable, the gross proceeds of the sale, or the  
5 use of plants, seedlings, shoots, slips, nursery stock, and  
6 floral products, except as hereinabove exempted.

7 (23) The gross proceeds of the sale, or sales, of  
8 fabricated steel tube sections, when produced and fabricated  
9 in this state by any person, firm, or corporation for any  
10 vehicular tunnel for highway vehicular traffic, when sold by  
11 the manufacturer or fabricator thereof, and also the gross  
12 proceeds of the sale, or sales, of steel which enters into and  
13 becomes a component part of such fabricated steel tube  
14 sections of said tunnel.

15 (24) The gross proceeds from sales of admissions to  
16 any theatrical production, symphonic or other orchestral  
17 concert, ballet, or opera production when such concert or  
18 production is presented by any society, association, guild, or  
19 workshop group, organized within this state, whose members or  
20 some of whose members regularly and actively participate in  
21 such concerts or productions for the purposes of providing a  
22 creative outlet for the cultural and educational interests of  
23 such members, and of promoting such interests for the  
24 betterment of the community by presenting such productions to  
25 the general public for an admission charge. The employment of  
26 a paid director or conductor to assist in any such

1 presentation described in this subdivision shall not be  
2 construed to prohibit the exemptions herein provided.

3 (25) The gross proceeds of sales of herbicides for  
4 agricultural uses by whomsoever sold. The term herbicides, as  
5 used in this subdivision, means any substance or mixture of  
6 substances intended to prevent, destroy, repel, or retard the  
7 growth of weeds or plants. It shall include preemergence  
8 herbicides, postemergence herbicides, lay-by herbicides,  
9 pasture herbicides, defoliant herbicides, and desiccant  
10 herbicides.

11 (26) The Alabama Chapter of the Cystic Fibrosis  
12 Research Foundation and the Jefferson Tuberculosis Sanatorium  
13 and any of their departments or agencies, heretofore or  
14 hereafter organized and existing in good faith in the State of  
15 Alabama for purposes other than for pecuniary gain and not for  
16 individual profit, shall be exempted from the computation of  
17 the tax on the gross proceeds of all sales levied, assessed,  
18 or payable.

19 (27) The gross proceeds from the sale or sales of  
20 fuel for use or consumption aboard commercial fishing vessels  
21 are hereby exempt from the computation of all sales taxes  
22 levied, assessed, or payable under the provisions of this  
23 division or levied under any county or municipal sales tax  
24 law.

25 The words commercial fishing vessels shall mean  
26 vessels whose masters and owners are regularly and exclusively  
27 engaged in fishing as their means of livelihood.

1           (28) The gross proceeds of sales of sawdust, wood  
2 shavings, wood chips, and other like materials sold for use as  
3 chicken litter by poultry producers and poultry processors.

4           (29) The gross proceeds of the sales of all  
5 antibiotics, hormones and hormone preparations, drugs,  
6 medicines, and other medications including serums and  
7 vaccines, vitamins, minerals, or other nutrients for use in  
8 the production and growing of fish, livestock, and poultry by  
9 whomsoever sold. Such exemption as herein granted shall be in  
10 addition to the exemption provided by law for feed for fish,  
11 livestock, and poultry, and in addition to the exemptions  
12 provided by law for the above-enumerated substances and  
13 products when mixed and used as ingredients in fish,  
14 livestock, and poultry feed.

15           (30) The gross proceeds of the sale or sales of all  
16 medicines prescribed by physicians for persons who are 65  
17 years of age or older, and when said prescriptions are filled  
18 by licensed pharmacists, shall be exempted under this division  
19 or under any county or municipal sales tax law. The exemption  
20 provided in this section shall not apply to any medicine  
21 purchased in any manner other than as is herein provided.

22           For the purposes of this subdivision, proof of age  
23 may be accomplished by filing with the dispensing pharmacist  
24 any one or more of the following documents:

25           a. The name and claim number as shown on a Medicare  
26 card issued by the United States Social Security  
27 Administration.

1           b. A certificate executed by any adult person having  
2 knowledge of the fact that the person for whom the medicine  
3 was prescribed is not less than 65 years of age.

4           c. An affidavit executed by any adult person having  
5 knowledge of the fact that the person for whom the medicine  
6 was prescribed is not less than 65 years of age.

7           For the purposes of this subdivision, any person  
8 filing a false proof of age shall be guilty of a misdemeanor  
9 and upon conviction thereof shall be punished by a fine of  
10 \$100.

11           (31) There shall be exempted from the tax levied by  
12 this division the gross receipts of sales of grass sod of all  
13 kinds and character when in the original state of production  
14 or condition of preparation for sale, when such sales are made  
15 by the producer or members of his family or for him by those  
16 employed by him to assist in the production thereof; provided,  
17 that nothing herein shall be construed to exempt sales of sod  
18 by a person engaged in the business of selling plants,  
19 seedlings, nursery stock, or floral products.

20           (32) The gross receipts of sales of the following  
21 items or materials which are necessary in the farm-to-market  
22 production of tomatoes when such items or materials are used  
23 by the producer or members of his family or for him by those  
24 employed by him to assist in the production thereof: Twine for  
25 tying tomatoes, tomato stakes, field boxes (wooden boxes used  
26 to take tomatoes from the fields to shed), and tomato boxes  
27 used in shipments to customers.

1           (33) The gross proceeds from the sale of liquefied  
2 petroleum gas or natural gas sold to be used for agricultural  
3 purposes.

4           (34) The gross receipts of sales from state  
5 nurseries of forest tree seedlings.

6           (35) The gross receipts of sales of forest tree seed  
7 by the state.

8           (36) The gross receipts of sales of Lespedeza  
9 bicolor and other species of perennial plant seed and  
10 seedlings sold for wildlife and game food production purposes  
11 by the state.

12           (37) The gross receipts of any aircraft  
13 manufactured, sold, and delivered in this state if said  
14 aircraft are not permanently domiciled in Alabama and are  
15 removed to another state.

16           (38) The gross proceeds from the sale or sales of  
17 all diesel fuel used for off-highway agricultural purposes.

18           (39) The gross proceeds from sales of admissions to  
19 any sporting event which:

20           a. Takes place in the State of Alabama on or after  
21 January 1, 1984, regardless of when such sales occur; and

22           b. Is hosted by a not-for-profit corporation  
23 organized and existing under the laws of the State of Alabama;  
24 and

25           c. Determines a national championship of a national  
26 organization, including but not limited to the Professional  
27 Golfers Association of America, the Tournament Players



1 Association, the United States Golf Association, the United  
2 States Tennis Association, and the National Collegiate  
3 Athletic Association; and

4 d. Has not been held in the State of Alabama on more  
5 than one prior occasion, provided, however, that for such  
6 purpose the Professional Golfers Association Championship, the  
7 United States Open Golf Championship, the United States  
8 Amateur Golf Championship of the United States Golf  
9 Association, and the United States Open Tennis Championship  
10 shall each be treated as a separate event.

11 (40) The gross receipts from the sale of any  
12 aircraft and replacement parts, components, systems, supplies,  
13 and sundries affixed or used on said aircraft and ground  
14 support equipment and vehicles used by or for the aircraft to  
15 or by a certificated or licensed air carrier with a hub  
16 operation within this state, for use in conducting intrastate,  
17 interstate, or foreign commerce for transporting people or  
18 property by air. For the purpose of this subdivision, the  
19 words "hub operation within this state" shall be construed to  
20 have all of the following criteria:

21 a. There originates from the location 15 or more  
22 flight departures and five or more different first-stop  
23 destinations five days per week for six or more months during  
24 the calendar year; and

25 b. Passengers and/or property are regularly  
26 exchanged at the location between flights of the same or a  
27 different certificated or licensed air carrier.

1           (41) The gross receipts from the sale of hot or cold  
2 food and beverage products sold to or by a certificated or  
3 licensed air carrier with a hub operation within this state,  
4 for use in conducting intrastate, interstate, or foreign  
5 commerce for transporting people or property by air. For the  
6 purpose of this subdivision, the words "hub operation within  
7 this state" shall be construed to have all of the following  
8 criteria:

9           a. There originates from the location 15 or more  
10 flight departures and five or more different first-stop  
11 destinations five days per week for six or more months during  
12 the calendar year; and

13           b. Passengers and/or property are regularly  
14 exchanged at the location between flights of the same or a  
15 different certificated or licensed air carrier.

16           (42) The gross receipts from the sale of any  
17 aviation jet fuel to a certificated or licensed air carrier  
18 purchased for use in scheduled all-cargo operations being  
19 conducted on international flights or in international  
20 commerce. For purposes of this subdivision, the following  
21 words or terms shall be defined and interpreted as follows:

22           a. Air Carrier. Any person, firm, corporation, or  
23 entity undertaking by any means, directly or indirectly, to  
24 provide air transportation.

25           b. All-Cargo Operations. Any flight conducted by an  
26 air carrier for compensation or hire other than a passenger

1 carrying flight, except passengers as specified in 14 C.F.R.  
2 §121.583(a) or 14 C.F.R. §135.85, as amended.

3 c. International Commerce. Any air carrier engaged  
4 in all-cargo operations transporting goods for compensation or  
5 hire on international flights.

6 d. International Flights. Any air carrier conducting  
7 scheduled all-cargo operations between any point within the 50  
8 states of the United States and the District of Columbia and  
9 any point outside the 50 states of the United States and the  
10 District of Columbia, including any interim stops within the  
11 United States so long as the ultimate origin or destination of  
12 the aircraft is outside the United States and the District of  
13 Columbia.

14 (43) The gross proceeds of the sale or sales of the  
15 following:

16 a. Drill pipe, casing, tubing, and other pipe used  
17 for the exploration for or production of oil, gas, sulphur, or  
18 other minerals in offshore federal waters.

19 b. Tangible personal property exclusively used for  
20 the exploration for or production of oil, gas, sulphur, or  
21 other minerals in offshore federal waters.

22 c. Fuel and supplies for use or consumption aboard  
23 boats, ships, aircraft, and towing vessels when used  
24 exclusively in transporting persons or property between a  
25 point in Alabama and a point or points in offshore federal  
26 waters for the exploration for or production of oil, gas,  
27 sulphur, or other minerals in offshore federal waters.

1           d. Drilling equipment that is used for the  
2 exploration for or production of oil, gas, sulphur, or other  
3 minerals, that is built for exclusive use outside this state  
4 and that is, on completion, removed forthwith from this state.

5           The delivery of items exempted by this subdivision  
6 to the purchaser or lessee in this state does not disqualify  
7 the purchaser or lessee from the exemption if the property is  
8 removed from the state by any means, including by the use of  
9 the purchaser's or lessee's own facilities.

10           The shipment to a place in this state of equipment  
11 exempted by this subdivision for further assembly or  
12 fabrication does not disqualify the purchaser or lessee from  
13 the exemption if on completion of the further assembly or  
14 fabrication the equipment is removed forthwith from this  
15 state. This subdivision applies to a sale that may occur when  
16 the equipment exempted is further assembled or fabricated if  
17 on completion the equipment is removed forthwith from this  
18 state.

19           (44) The gross receipts derived from all bingo games  
20 and operations which are conducted in compliance with validly  
21 enacted legislation authorizing the conduct of such games and  
22 operations, and which comply with the distribution  
23 requirements of the applicable local laws; provided that the  
24 exemption from sales taxation granted by this subdivision  
25 shall apply only to gross receipts taxable under subdivision  
26 (2) of Section 40-23-2. It is further provided that this  
27 exemption shall not apply to any gross receipts from the sale

1 of tangible personal property, such as concessions, novelties,  
2 food, beverages, etc. The exemption provided for in this  
3 section shall be limited to those games and operations by  
4 organizations which have qualified for exemption under the  
5 provisions of 26 U.S.C. § 501 (c) (3), (4), (7), (8), (10), or  
6 (19), or which are defined in 26 U.S.C. § 501(d).

7 (45) The gross receipts derived from the sale or  
8 sales of fruit or other agricultural products by the person or  
9 company, as defined in Section 40-23-1, that planted or  
10 cultivated and harvested the fruit or agricultural product,  
11 when the land is owned or leased by the seller.

12 (46) The gross receipts derived from the sale or  
13 sales of all domestically mined or produced coal, coke, and  
14 coke by-products used in cogeneration plants.

15 (47) The gross receipts from the sale or sales of  
16 metal, other than gold or silver, when such metal is purchased  
17 for the purpose of transferring such metal to an investment  
18 trust in exchange for shares or other units, each of which are  
19 both publicly traded and represent fractional undivided  
20 beneficial interests in the trust's net assets, including  
21 metal stored in warehouses located in this state, as well as  
22 the gross proceeds from the sale or other transfer of such  
23 metal to or from such investment trust in exchange for shares  
24 or other units that are publicly traded and represent  
25 fractional undivided beneficial interests in the trust's net  
26 assets but not to the extent that metal is transferred to or  
27 from the investment trust in exchange for consideration other

1 than such publicly traded shares or other units. For purposes  
2 of this subdivision, the term metals includes, but is not  
3 limited to, copper, aluminum, nickel, zinc, tin, lead, and  
4 other similar metals typically used in commercial and  
5 industrial applications.

6 (48) For the period commencing on October 1, 2012,  
7 and ending May 30, ~~2022, unless extended by joint resolution,~~  
8 2032, the gross receipts from the sale of parts, components,  
9 and systems that become a part of a fixed or rotary wing  
10 military aircraft or certified transport category aircraft  
11 that undergoes conversion, reconfiguration, or general  
12 maintenance so long as the address of the aircraft for FAA  
13 registration is not in the state; provided, however, that this  
14 exemption shall not apply to a local sales tax unless  
15 previously exempted by local law or approved by resolution of  
16 the local governing body.

17 (49) The gross proceeds from the sale or sales  
18 within school buildings of lunches to pupils of kindergarten,  
19 grammar, and high schools, either public or private, that are  
20 not sold for profit.

21 (50) The gross proceeds of services provided by  
22 photographers, including but not limited to sitting fees and  
23 consultation fees, even when provided as part of a transaction  
24 ultimately involving the sale of one or more photographs, so  
25 long as the exempt services are separately stated to the  
26 customer on a bill of sale, invoice, or like memorialization  
27 of the transaction. For transactions occurring before October

1 1, 2017, neither the Department of Revenue nor local tax  
2 officials may seek payment for sales tax not collected. With  
3 regard to such transactions in which sales tax was collected  
4 and remitted on services provided by photographers, neither  
5 the taxpayer nor the entity remitting sales tax shall have the  
6 right to seek refund of such tax.

7 (51) a. For the period commencing on June 1, 2018,  
8 and ending five years thereafter, unless extended by an act of  
9 the Legislature, the gross proceeds of sales of bullion or  
10 money, as defined in Section 40-1-1(7).

11 b. For purposes of this subdivision, the following  
12 words or terms shall be defined and interpreted as follows:

13 1. Bullion. Gold, silver, platinum, palladium, or a  
14 combination of each precious metal, that has gone through a  
15 refining process and for which the item's value depends on its  
16 mass and purity, and not on its form, numismatic value, or  
17 other value. The term includes bullion in the form of bars,  
18 ingots, or coins that meet the requirements set forth above.  
19 Qualifying bullion may contain other metals or substances,  
20 provided that the other substances are minimal in value  
21 compared with the value of the gold, silver, platinum, or  
22 palladium and the other substances do not add value to the  
23 item. For purposes of this subparagraph, "gold, silver,  
24 platinum, or palladium" does not include jewelry or works of  
25 art.

1           2. Mass Purity. An item's mass is its weight in  
2 precious metal, and its purity is the amount of precious metal  
3 contained within the item.

4           3. Numismatic Value. An external value above and  
5 beyond the base value of the underlying precious metal, due to  
6 the item's rarity, condition, age, or other external factor.

7           c. In order for bullion to qualify for the sales tax  
8 exemption, gold, silver, platinum, and palladium items must  
9 meet all of the following requirements:

10           1. Must be refined.

11           2. Must contain at least ninety percent gold,  
12 silver, platinum, or palladium or some combination of these  
13 metals.

14           3. The sales price of the item must fluctuate with  
15 and depend on the market price of the underlying precious  
16 metal, and not on the item's rarity, condition, age, or other  
17 external factor.

18           (52) a. The gross proceeds of the initial retail  
19 sales of adaptive equipment that is permanently affixed to a  
20 motor vehicle.

21           b. For the purposes of this subdivision, the  
22 following words or terms shall be defined and interpreted as  
23 follows:

24           1. Adaptive Equipment. Equipment not generally used  
25 by persons with normal mobility that is appropriate for use in  
26 a motor vehicle and that is not normally provided by a motor  
27 vehicle manufacturer.



1                   2. Motor Vehicle. A vehicle as defined in Section  
2 40-12-240.

3                   3. Motor Vehicle Manufacturer. Every person engaged  
4 in the business of constructing or assembling vehicles or  
5 manufactured homes.

6                   c. In order to qualify for the exemption provided  
7 for herein, the adaptive equipment must be separately stated  
8 to the customer on a bill of sale, invoice, or like  
9 memorialization of the transaction.

10                   (b) Any violation of any provision of this section  
11 shall be punishable in a court of competent jurisdiction by a  
12 fine of not less than five hundred dollars (\$500) and no more  
13 than two thousand dollars (\$2,000) and imprisonment of not  
14 less than six months nor more than one year in the county  
15 jail."

16                   Section 2. This act shall become effective  
17 immediately following its passage and approval by the  
18 Governor, or its otherwise becoming law.