

1 HJR5
2 207711-1
3 By Representative Lee
4 RFD: Rules
5 First Read: 02-FEB-21

EXTENDING THE EXISTING SALES AND USE TAX EXEMPTION
ON PARTS, COMPONENTS, AND SYSTEMS USED IN THE REFURBISHING OF
AIRCRAFT IN THIS STATE.

WHEREAS, the aircraft industry in Alabama is an
essential component in the continued economic prosperity of
this state; and

WHEREAS, the industry of building and refurbishing
aircraft provides significant employment in this state, not
only by industries involved directly in the production and
refurbishing of aircraft, but also by companies that provide
parts, supplies, and equipment necessary for the aircraft
industry; and

WHEREAS, Act 2012-185 of the 2012 Regular Session of
the Alabama Legislature provided a tax exemption for the gross
receipts from the sale of parts for refurbishing certain
aircraft, which exemption was clarified by Act 2013-196 of the
2013 Regular Session to include a conforming use tax exemption
for the parts; and

1 WHEREAS, Act 2012-185 is currently codified in
2 subdivision (48) of Section 40-23-4(a), Code of Alabama 1975,
3 and reads as follows:

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

15 WHEREAS, the use tax exemption is currently
16 incorporated by reference through the provisions of
17 subdivision (3) of Section 40-23-62, Code of Alabama 1975,
18 which provides that all exemptions in Section 40-23-4(a), Code
19 of Alabama 1975, are incorporated by reference as exemptions
20 from the use tax; and

21 WHEREAS, there was a sunset provision on this
22 legislation which provides that the tax exemptions will expire
23 on May 30, 2022, unless extended by joint resolution; and

24 WHEREAS, it is in the best interest of the State of
25 Alabama, its citizens and the industry that the tax exemptions
26 be extended; now therefore,

1 BE IT RESOLVED BY THE LEGISLATURE OF ALABAMA, BOTH
2 HOUSES THEREOF CONCURRING, That the tax exemption in
3 subdivision (48) of Section 40-23-4(a), Code of Alabama 1975,
4 and the conforming use tax exemption are extended unless
5 amended or revoked by an act of the Legislature.