

## HB496 INTRODUCED



1 HYHC36-1  
2 By Representatives Daniels, Travis, Lawrence  
3 RFD: Ways and Means General Fund  
4 First Read: 18-May-23  
5 2023 Regular Session



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4     SYNOPSIS:

5                 Under existing law, the state imposes sales and  
6         use taxes upon the purchase of certain items. Counties  
7         and municipalities impose additional sales and use  
8         taxes. The purchase of certain items is exempt from  
9         these taxes.

10                This bill would exempt the purchase of general  
11         aviation aircraft and machinery or equipment installed  
12         on the aircraft from sales and use tax in certain  
13         circumstances.

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16                A BILL

17                TO BE ENTITLED

18                AN ACT

19

20                Relating to taxation; to amend Section 40-23-4, Code of  
21         Alabama 1975, to exempt the purchase of a general aviation  
22         aircraft and any machinery or equipment installed on a general  
23         aviation aircraft from sales and use tax in certain  
24         circumstances.

25        BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

26                Section 1. Section 40-23-4, Code of Alabama 1975, is  
27         amended to read as follows:

28                "§40-23-4



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29 (a) There are exempted from the provisions of this  
30 division and from the computation of the amount of the tax  
31 levied, assessed, or payable under this division the  
32 following:

33 (1) The gross proceeds of the sales of lubricating oil  
34 and gasoline as defined in Sections 40-17-30 and 40-17-170 and  
35 the gross proceeds from those sales of lubricating oil  
36 destined for out-of-state use which are transacted in a manner  
37 whereby an out-of-state purchaser takes delivery of such oil  
38 at a distributor's plant within this state and transports it  
39 out-of-state, which are otherwise taxed.

44 (3) The gross proceeds of the sale, or sales, of seeds  
45 for planting purposes and baby chicks and poults. Nothing  
46 herein shall be construed to exempt or exclude from the  
47 computation of the tax levied, assessed, or payable, the gross  
48 proceeds of the sale or sales of plants, seedlings, nursery  
49 stock, or floral products.



68 (6) Cottonseed meal exchanged for cottonseed at or by  
69 cotton gins.

83 (8) The gross proceeds of sales or gross receipts of or  
84 by any person, firm, or corporation, from the sale of



85 transportation, gas, water, or electricity, of the kinds and  
86 natures, the rates and charges for which, when sold by public  
87 utilities, are customarily fixed and determined by the Public  
88 Service Commission of Alabama or like regulatory bodies.

89 (9) The gross proceeds of the sale, or sales of wood  
90 residue, coal, or coke to manufacturers, electric power  
91 companies, and transportation companies for use or consumption  
92 in the production of by-products, or the generation of heat or  
93 power used in manufacturing tangible personal property for  
94 sale, for the generation of electric power or energy for use  
95 in manufacturing tangible personal property for sale or for  
96 resale, or for the generation of motive power for  
97 transportation.

98 (10) The gross proceeds from the sale or sales of fuel  
99 and supplies for use or consumption aboard ships, vessels,  
100 towing vessels, or barges, or drilling ships, rigs or barges,  
101 or seismic or geophysical vessels, or other watercraft (herein  
102 for purposes of this exemption being referred to as "vessels")  
103 engaged in foreign or international commerce or in interstate  
104 commerce; provided, that nothing in this division shall be  
105 construed to exempt or exclude from the measure of the tax  
106 herein levied the gross proceeds of sale or sales of material  
107 and supplies to any person for use in fulfilling a contract  
108 for the painting, repair, or reconditioning of vessels,  
109 barges, ships, other watercraft, and commercial fishing  
110 vessels of over five tons load displacement as registered with  
111 the U.S. Coast Guard and licensed by the State of Alabama  
112 Department of Conservation and Natural Resources.



113        For purposes of this subdivision, it shall be presumed  
114    that vessels engaged in the transportation of cargo between  
115    ports in the State of Alabama and ports in foreign countries  
116    or possessions or territories of the United States or between  
117    ports in the State of Alabama and ports in other states are  
118    engaged in foreign or international commerce or interstate  
119    commerce, as the case may be. For the purposes of this  
120    subdivision, the engaging in foreign or international commerce  
121    or interstate commerce shall not require that the vessel  
122    involved deliver cargo to or receive cargo from a port in the  
123    State of Alabama. For purposes of this subdivision, vessels  
124    carrying passengers for hire, and no cargo, between ports in  
125    the State of Alabama and ports in foreign countries or  
126    possessions or territories of the United States or between  
127    ports in the State of Alabama and ports in other states shall  
128    be engaged in foreign or international commerce or interstate  
129    commerce, as the case may be, if, and only if, both of the  
130    following conditions are met: (i) The vessel in question is a  
131    vessel of at least 100 gross tons; and (ii) the vessel in  
132    question has an unexpired certificate of inspection issued by  
133    the United States Coast Guard or by the proper authority of a  
134    foreign country for a foreign vessel, which certificate is  
135    recognized as acceptable under the laws of the United States.  
136    Vessels that are engaged in foreign or international commerce  
137    or interstate commerce shall be deemed for the purposes of  
138    this subdivision to remain in such commerce while awaiting or  
139    under repair in a port of the State of Alabama if the vessel  
140    returns after such repairs are completed to engaging in



141 foreign or international commerce or interstate commerce. For  
142 purposes of this subdivision, seismic or geophysical vessels  
143 which are engaged either in seismic or geophysical tests or  
144 evaluations exclusively in offshore federal waters or in  
145 traveling to or from conducting such tests or evaluations  
146 shall be deemed to be engaged in international or foreign  
147 commerce. For purposes of this subdivision, proof that fuel  
148 and supplies purchased are for use or consumption aboard  
149 vessels engaged in foreign or international commerce or in  
150 interstate commerce may be accomplished by the merchant or  
151 seller securing the duly signed certificate of the vessel  
152 owner, operator, or captain or such person's respective agent,  
153 on a form prescribed by the department, that the fuel and  
154 supplies purchased are for use or consumption aboard vessels  
155 engaged in foreign or international commerce or in interstate  
156 commerce. Any person filing a false certificate shall be  
157 guilty of a misdemeanor and upon conviction shall be fined not  
158 less than twenty-five dollars (\$25) nor more than five hundred  
159 dollars (\$500) for each offense. Each false certificate filed  
160 shall constitute a separate offense. Any person filing a false  
161 certificate shall be liable to the department for all taxes  
162 imposed by this division upon the merchant or seller, together  
163 with any interest or penalties thereon, by reason of the sale  
164 or sales of fuel and supplies applicable to the false  
165 certificate. If a merchant or seller of fuel and supplies  
166 secures the certificate herein mentioned, properly completed,  
167 the merchant or seller shall not be liable for the taxes  
168 imposed by this division, if the merchant or seller had no



169 knowledge that the certificate was false when it was filed  
170 with the merchant or seller.

171 (11) The gross proceeds of sales of tangible personal  
172 property to the State of Alabama, to the counties within the  
173 state and to incorporated municipalities of the State of  
174 Alabama.

175 (12) The gross proceeds of the sale or sales of  
176 railroad cars, vessels, barges, and commercial fishing vessels  
177 of over five tons load displacement as registered with the  
178 U.S. Coast Guard and licensed by the State of Alabama  
179 Department of Conservation and Natural Resources, when sold by  
180 the manufacturers or builders thereof.

181 (13) The gross proceeds of the sale or sales of  
182 materials, equipment, and machinery that, at any time, enter  
183 into and become a component part of ships, vessels, towing  
184 vessels or barges, or drilling ships, rigs or barges, or  
185 seismic or geophysical vessels, other watercraft and  
186 commercial fishing vessels of over five tons load displacement  
187 as registered with the U.S. Coast Guard and licensed by the  
188 State of Alabama Department of Conservation and Natural  
189 Resources. Additionally, the gross proceeds from the sale or  
190 sales of lifeboats, personal flotation devices, ring life  
191 buoys, survival craft equipment, distress signals, EPIRB's,  
192 fire extinguishers, injury placards, waste management plans  
193 and logs, marine sanitation devices, navigation rulebooks,  
194 navigation lights, sound signals, navigation day shapes, oil  
195 placard cards, garbage placards, FCC SSL, stability  
196 instructions, first aid equipment, compasses, anchor and radar



197 reflectors, general alarm systems, bilge pumps, piping, and  
198 discharge and electronic position fixing devices which are  
199 used on the aforementioned watercraft.

200 (14) The gross proceeds of the sale or sales of fuel  
201 oil purchased as fuel for kiln use in manufacturing  
202 establishments.

203 (15) The gross proceeds of the sale or sales of  
204 tangible personal property to county and city school boards  
205 within the State of Alabama, independent school boards within  
206 the State of Alabama, all educational institutions and  
207 agencies of the State of Alabama, the counties within the  
208 state, or any incorporated municipalities of the State of  
209 Alabama, and private educational institutions operating within  
210 the State of Alabama offering conventional and traditional  
211 courses of study, such as those offered by public schools,  
212 colleges, or universities within the State of Alabama; but not  
213 including nurseries, day care centers, and home schools.

214 (16) The gross proceeds from the sale of all devices or  
215 facilities, and all identifiable components thereof, or  
216 materials for use therein, acquired primarily for the control,  
217 reduction, or elimination of air or water pollution and the  
218 gross proceeds from the sale of all identifiable components  
219 of, or materials used or intended for use in, structures built  
220 primarily for the control, reduction, or elimination of air  
221 and water pollution.

222 (17) The gross proceeds of sales of tangible personal  
223 property or the gross receipts of any business which the state  
224 is prohibited from taxing under the Constitution or laws of



225 the United States or under the Constitution of this state.

226 (18) When dealers or distributors use parts taken from  
227 stocks owned by them in making repairs without charge for the  
228 parts to the owner of the property repaired pursuant to  
229 warranty agreements entered into by manufacturers, such use  
230 shall not constitute taxable sales to the manufacturers,  
231 distributors, or to the dealers, under this division or under  
232 any county sales tax law.

233 (19) The gross proceeds received from the sale or  
234 furnishing of food, including potato chips, candy, fruit and  
235 similar items, soft drinks, tobacco products, and stationery  
236 and other similar or related articles by hospital canteens  
237 operated by Alabama state hospitals at Bryce Hospital and  
238 Partlow State School for Mental Deficients at Tuscaloosa,  
239 Alabama, and Searcy Hospital at Mt. Vernon, Alabama, for the  
240 benefit of the patients therein.

241 (20) The gross proceeds of the sale, or sales, of  
242 wrapping paper and other wrapping materials when used in  
243 preparing poultry or poultry products for delivery, shipment,  
244 or sale by the producer, processor, packer, or seller of such  
245 poultry or poultry products, including pallets used in  
246 shipping poultry and egg products, paper or other materials  
247 used for lining boxes or other containers in which poultry or  
248 poultry products are packed together with any other materials  
249 placed in such containers for the delivery, shipment, or sale  
250 of poultry or poultry products.

251 (21) The gross proceeds of the sales of all  
252 antibiotics, hormones and hormone preparations, drugs,



253 medicines or medications, vitamins, minerals or other  
254 nutrients, and all other feed ingredients including  
255 concentrates, supplements, and other feed ingredients when  
256 such substances are used as ingredients in mixing and  
257 preparing feed for fish raised to be sold on a commercial  
258 basis, livestock, and poultry. Such exemption herein granted  
259 shall be in addition to exemptions now provided by law for  
260 feed for fish raised to be sold on a commercial basis,  
261 livestock, and poultry, but not including prepared foods for  
262 dogs or cats.

263 (22) The gross proceeds of the sale, or sales, of  
264 seedlings, plants, shoots, and slips which are to be used for  
265 planting vegetable gardens or truck farms and other  
266 agricultural purposes. Nothing herein shall be construed to  
267 exempt, or exclude from the computation of the tax levied,  
268 assessed, or payable, the gross proceeds of the sale, or the  
269 use of plants, seedlings, shoots, slips, nursery stock, and  
270 floral products, except as hereinabove exempted.

271 (23) The gross proceeds of the sale, or sales, of  
272 fabricated steel tube sections, when produced and fabricated  
273 in this state by any person, firm, or corporation for any  
274 vehicular tunnel for highway vehicular traffic, when sold by  
275 the manufacturer or fabricator thereof, and also the gross  
276 proceeds of the sale, or sales, of steel which enters into and  
277 becomes a component part of such fabricated steel tube  
278 sections of said tunnel.

279 (24) The gross proceeds from sales of admissions to any  
280 theatrical production, symphonic or other orchestral concert,

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281      ballet, or opera production when the concert or production is  
282      presented by any society, association, guild, or workshop  
283      group, organized within this state, whose members or some of  
284      whose members regularly and actively participate in the  
285      concerts or productions for the purposes of providing a  
286      creative outlet for the cultural and educational interests of  
287      its members, and of promoting such interests for the  
288      betterment of the community by presenting the productions to  
289      the general public for an admission charge. The employment of  
290      a paid director or conductor to assist in any such  
291      presentation described in this subdivision shall not be  
292      construed to prohibit the exemptions herein provided.

293                (25) The gross proceeds of sales of "herbicides" for  
294      agricultural uses by whomsoever sold. The term herbicides, as  
295      used in this subdivision, means any substance or mixture of  
296      substances intended to prevent, destroy, repel, or retard the  
297      growth of weeds or plants. The term includes preemergence  
298      herbicides, postemergence herbicides, lay-by herbicides,  
299      pasture herbicides, defoliant herbicides, and desiccant  
300      herbicides.

301                (26) The Alabama Chapter of the Cystic Fibrosis  
302      Research Foundation and the Jefferson Tuberculosis Sanatorium  
303      and any of their departments or agencies, heretofore or  
304      hereafter organized and existing in good faith in the State of  
305      Alabama for purposes other than for pecuniary gain and not for  
306      individual profit, shall be exempted from the computation of  
307      the tax on the gross proceeds of all sales levied, assessed,  
308      or payable.



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309 (27) The gross proceeds from the sale or sales of fuel  
310 for use or consumption aboard commercial fishing vessels are  
311 exempt from the computation of all sales taxes levied,  
312 assessed, or payable under this division or levied under any  
313 county or municipal sales tax law.

314 (28) The gross proceeds from the sales of rope, fishing  
315 nets, tools, or any substitute used directly in the process of  
316 commercial fishing by a holder of a commercial license issued  
317 pursuant to Chapter 12 of Title 9.

318 (29) The gross proceeds of sales of sawdust, wood  
319 shavings, wood chips, and other like materials sold for use as  
320 chicken litter by poultry producers and poultry processors.

321 (30) The gross proceeds of the sales of all  
322 antibiotics, hormones and hormone preparations, drugs,  
323 medicines, and other medications including serums and  
324 vaccines, vitamins, minerals, or other nutrients for use in  
325 the production and growing of fish, livestock, and poultry by  
326 whomsoever sold. The exemption herein granted shall be in  
327 addition to the exemption provided by law for feed for fish,  
328 livestock, and poultry, and in addition to the exemptions  
329 provided by law for the above-enumerated substances and  
330 products when mixed and used as ingredients in fish,  
331 livestock, and poultry feed.

332 (31) The gross proceeds of the sale or sales of all  
333 medicines prescribed by physicians for persons who are 65  
334 years of age or older, and when the prescriptions are filled  
335 by licensed pharmacists, shall be exempted under this division  
336 or under any county or municipal sales tax law. The exemption



337 provided in this section shall not apply to any medicine  
338 purchased in any manner other than as is herein provided.

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

342 a. The name and claim number as shown on a Medicare  
343 card issued by the United States Social Security  
344 Administration.

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

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

351 For the purposes of this subdivision, any person filing  
352 a false proof of age shall be guilty of a misdemeanor and upon  
353 conviction thereof shall be punished by a fine of one hundred  
354 dollars (\$100).

355 (32) There shall be exempted from the tax levied by  
356 this division the gross receipts of sales of grass sod of all  
357 kinds and character when in the original state of production  
358 or condition of preparation for sale, when the sales are made  
359 by the producer or members of the producer's family or for the  
360 producer by those employed by the producer to assist in the  
361 production thereof; provided, that nothing herein shall be  
362 construed to exempt sales of sod by a person engaged in the  
363 business of selling plants, seedlings, nursery stock, or  
364 floral products.



365 (33) The gross receipts of sales of the following items  
366 or materials that are necessary in the farm-to-market  
367 production of tomatoes when such items or materials are used  
368 by the producer or members of the producer's family or for the  
369 producer by those employed by the producer to assist in the  
370 production thereof: Twine for tying tomatoes, tomato stakes,  
371 field boxes (wooden boxes used to take tomatoes from the  
372 fields to shed), and tomato boxes used in shipments to  
373 customers.

374 (34) The gross proceeds from the sale of liquefied  
375 petroleum gas or natural gas sold to be used for agricultural  
376 purposes.

377 (35) The gross receipts of sales from state nurseries  
378 of forest tree seedlings.

379 (36) The gross receipts of sales of forest tree seed by  
380 the state.

381 (37) The gross receipts of sales of *Lespedeza bicolor*  
382 and other species of perennial plant seed and seedlings sold  
383 for wildlife and game food production purposes by the state.

384 (38) a. The gross receipts of any aircraft manufactured,  
385 sold, and delivered in this state if the aircraft are not  
386 permanently domiciled in Alabama and are removed to another  
387 state.

388                   b. For any general aviation aircraft owned or leased,  
389                   as of October 1, 2022, by a corporation whose principal place  
390                   of business is in Alabama, the gross receipts from the sale of  
391                   the aircraft and any machinery or equipment to be installed on  
392                   the aircraft. For purposes of this paragraph, the term



393        "general aviation aircraft" means an aircraft over 10,000  
394        pounds which is used in civil aviation and which is not a  
395        commercial aircraft, military aircraft, or unmanned aerial  
396        vehicle or drone.

397            (39) The gross proceeds from the sale or sales of all  
398        diesel fuel used for off-highway agricultural purposes.

399            (40) The gross proceeds from sales of admissions to any  
400        sporting event that:

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

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

405                c. Determines a national championship of a national  
406        organization, including, but not limited to, the Professional  
407        Golfers Association of America, the Tournament Players  
408        Association, the United States Golf Association, the United  
409        States Tennis Association, and the National Collegiate  
410        Athletic Association; and

411                d. Has not been held in the State of Alabama on more  
412        than one prior occasion, provided, however, that for such  
413        purpose the Professional Golfers Association Championship, the  
414        United States Open Golf Championship, the United States  
415        Amateur Golf Championship of the United States Golf  
416        Association, and the United States Open Tennis Championship  
417        shall each be treated as a separate event.

418            (41) The gross receipts from the sale of any aircraft  
419        and replacement parts, components, systems, supplies, and  
420        sundries affixed or used on the aircraft and ground support



421 equipment and vehicles used by or for the aircraft to or by a  
422 certificated or licensed air carrier with a hub operation  
423 within this state, for use in conducting intrastate,  
424 interstate, or foreign commerce for transporting people or  
425 property by air. For the purpose of this subdivision, the  
426 words "hub operation within this state" shall be construed to  
427 have both of the following criteria:

428 a. There originates from the location 15 or more flight  
429 departures and five or more different first-stop destinations  
430 five days per week for six or more months during the calendar  
431 year.

432 b. Passengers or property or both are regularly  
433 exchanged at the location between flights of the same or a  
434 different certificated or licensed air carrier.

435 (42) The gross receipts from the sale of hot or cold  
436 food and beverage products sold to or by a certificated or  
437 licensed air carrier with a hub operation within this state,  
438 for use in conducting intrastate, interstate, or foreign  
439 commerce for transporting people or property by air. For the  
440 purpose of this subdivision, the words "hub operation within  
441 this state" shall be construed to have all of the following  
442 criteria:

443 a. There originates from the location 15 or more flight  
444 departures and five or more different first-stop destinations  
445 five days per week for six or more months during the calendar  
446 year.

447 b. Passengers or property or both are regularly  
448 exchanged at the location between flights of the same or a



449 different certificated or licensed air carrier.

450 (43) The gross receipts from the sale of any aviation  
451 jet fuel to a certificated or licensed air carrier purchased  
452 for use in scheduled all-cargo operations being conducted on  
453 international flights or in international commerce. For  
454 purposes of this subdivision, the following words or terms  
455 shall be defined and interpreted as follows:

456 a. Air Carrier. Any person, firm, corporation, or  
457 entity undertaking by any means, directly or indirectly, to  
458 provide air transportation.

459 b. All-Cargo Operations. Any flight conducted by an air  
460 carrier for compensation or hire other than a passenger  
461 carrying flight, except passengers as specified in 14 C.F.R. §  
462 121.583(a) or 14 C.F.R. § 135.85, as amended.

463 c. International Commerce. Any air carrier engaged in  
464 all-cargo operations transporting goods for compensation or  
465 hire on international flights.

466 d. International Flights. Any air carrier conducting  
467 scheduled all-cargo operations between any point within the 50  
468 states of the United States and the District of Columbia and  
469 any point outside the 50 states of the United States and the  
470 District of Columbia, including any interim stops within the  
471 United States so long as the ultimate origin or destination of  
472 the aircraft is outside the United States and the District of  
473 Columbia.

474 (44) The gross proceeds of the sale or sales of the  
475 following:

476 a. Drill pipe, casing, tubing, and other pipe used for



477 the exploration for or production of oil, gas, sulphur, or  
478 other minerals in offshore federal waters.

479 b. Tangible personal property exclusively used for the  
480 exploration for or production of oil, gas, sulphur, or other  
481 minerals in offshore federal waters.

482 c. Fuel and supplies for use or consumption aboard  
483 boats, ships, aircraft, and towing vessels when used  
484 exclusively in transporting persons or property between a  
485 point in Alabama and a point or points in offshore federal  
486 waters for the exploration for or production of oil, gas,  
487 sulphur, or other minerals in offshore federal waters.

488 d. Drilling equipment that is used for the exploration  
489 for or production of oil, gas, sulphur, or other minerals,  
490 that is built for exclusive use outside this state and that  
491 is, on completion, removed forthwith from this state.

492 The delivery of items exempted by this subdivision to  
493 the purchaser or lessee in this state does not disqualify the  
494 purchaser or lessee from the exemption if the property is  
495 removed from the state by any means, including by the use of  
496 the purchaser's or lessee's own facilities.

497 The shipment to a place in this state of equipment  
498 exempted by this subdivision for further assembly or  
499 fabrication does not disqualify the purchaser or lessee from  
500 the exemption if on completion of the further assembly or  
501 fabrication the equipment is removed forthwith from this  
502 state. This subdivision applies to a sale that may occur when  
503 the equipment exempted is further assembled or fabricated if  
504 on completion the equipment is removed forthwith from this



505 state.

506 (45) The gross receipts derived from all bingo games  
507 and operations that are conducted in compliance with validly  
508 enacted legislation authorizing the conduct of such games and  
509 operations, and which comply with the distribution  
510 requirements of the applicable local laws; provided that the  
511 exemption from sales taxation granted by this subdivision  
512 shall apply only to gross receipts taxable under subdivision  
513 (2) of Section 40-23-2. It is further provided that this  
514 exemption shall not apply to any gross receipts from the sale  
515 of tangible personal property, such as concessions, novelties,  
516 food, beverages, etc. The exemption provided for in this  
517 section shall be limited to those games and operations by  
518 organizations that have qualified for exemption under the  
519 provisions of 26 U.S.C. § 501 (c) (3), (4), (7), (8), (10), or  
520 (19), or which are defined in 26 U.S.C. § 501(d).

521 (46) The gross receipts derived from the sale or sales  
522 of fruit or other agricultural products by the person or  
523 company, as defined in Section 40-23-1, that planted or  
524 cultivated and harvested the fruit or agricultural product,  
525 when the land is owned or leased by the seller.

526 (47) The gross receipts derived from the sale or sales  
527 of all domestically mined or produced coal, coke, and coke  
528 by-products used in cogeneration plants.

529 (48) The gross receipts from the sale or sales of  
530 metal, other than gold or silver, when such metal is purchased  
531 for the purpose of transferring such metal to an investment  
532 trust in exchange for shares or other units, each of which are



533 both publicly traded and represent fractional undivided  
534 beneficial interests in the trust's net assets, including  
535 metal stored in warehouses located in this state, as well as  
536 the gross proceeds from the sale or other transfer of such  
537 metal to or from the investment trust in exchange for shares  
538 or other units that are publicly traded and represent  
539 fractional undivided beneficial interests in the trust's net  
540 assets but not to the extent that metal is transferred to or  
541 from the investment trust in exchange for consideration other  
542 than such publicly traded shares or other units. For purposes  
543 of this subdivision, the term "metals" includes, but is not  
544 limited to, copper, aluminum, nickel, zinc, tin, lead, and  
545 other similar metals typically used in commercial and  
546 industrial applications.

547 (49)a. For the period commencing on October 1, 2012,  
548 and ending May 30, 2027, the gross receipts from the sale of  
549 parts, components, and systems that become a part of a fixed  
550 or rotary wing military aircraft or certified transport  
551 category aircraft that undergoes conversion, reconfiguration,  
552 or general maintenance so long as the address of the aircraft  
553 for FAA registration is not in the state; provided, however,  
554 that this exemption shall not apply to a local sales tax  
555 unless previously exempted by local law or approved by  
556 resolution of the local governing body.

557 b. The exemption authorized by this subdivision—shall  
558 not be available for sales of parts, components, or systems  
559 for new contracts or projects entered into after May 30, 2027,  
560 unless the Legislature enacts legislation to continue or



561 reinstate the exemption for new contracts or projects after  
562 that date. No action or inaction on the part of the  
563 Legislature shall reduce, suspend, or disqualify sales of  
564 parts, components, or systems from the exemption in any past  
565 year or future years until May 30, 2030, with respect to  
566 contracts or projects entered into on or before May 30, 2027;  
567 it being the sole intent that failure of the Legislature to  
568 enact legislation to reinstate the exemption for new contracts  
569 or projects after May 30, 2027, shall affect only the  
570 availability of the exemption to new contracts and projects  
571 after that date and shall not affect availability of the  
572 exemption for contracts or projects entered into on or before  
573 May 30, 2027, for which the exemption shall be available until  
574 May 30, 2030.

575 (50) The gross proceeds from the sale or sales within  
576 school buildings of lunches to pupils of kindergarten,  
577 grammar, and high schools, either public or private, that are  
578 not sold for profit.

579 (51) The gross proceeds of services provided by  
580 photographers, including, but not limited to, sitting fees and  
581 consultation fees, even when provided as part of a transaction  
582 ultimately involving the sale of one or more photographs, so  
583 long as the exempt services are separately stated to the  
584 customer on a bill of sale, invoice, or like memorialization  
585 of the transaction. For transactions occurring before October  
586 1, 2017, neither the Department of Revenue nor local tax  
587 officials may seek payment for sales tax not collected. With  
588 regard to such transactions in which sales tax was collected



589 and remitted on services provided by photographers, neither  
590 the taxpayer nor the entity remitting sales tax shall have the  
591 right to seek refund of such tax.

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

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

598 1. Bullion. Gold, silver, platinum, palladium, or a  
599 combination of each precious metal, that has gone through a  
600 refining process and for which the item's value depends on its  
601 mass and purity, and not on its form, numismatic value, or  
602 other value. The term includes bullion in the form of bars,  
603 ingots, rounds, or coins that meet the requirements set forth  
604 above. Qualifying bullion may contain other metals or  
605 substances, provided that the other substances are minimal in  
606 value compared with the value of the gold, silver, platinum,  
607 or palladium and the other substances do not add value to the  
608 item. For purposes of this subparagraph, "gold, silver,  
609 platinum, or palladium" does not include jewelry or works of  
610 art.

611 2. Mass. An item's mass is its weight in precious  
612 metal.

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

616 4. Purity. An item's purity is the proportion of



617 precious metal contained within.

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

621 1. Must be refined.

622 2. Must contain at least 80 percent gold, silver,  
623 platinum, or palladium or some combination of these metals.

624 3. The sales price of the item must fluctuate with and  
625 depend on the market price of the underlying precious metal,  
626 and not on the item's rarity, condition, age, or other  
627 external factor.

628 (53) a. The gross proceeds of the initial retail sales  
629 of adaptive equipment that is permanently affixed to a motor  
630 vehicle.

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

633 1. Adaptive Equipment. Equipment not generally used by  
634 persons with normal mobility that is appropriate for use in a  
635 motor vehicle and that is not normally provided by a motor  
636 vehicle manufacturer.

637 2. Motor Vehicle. A vehicle as defined in Section  
638 40-12-240.

639 3. Motor Vehicle Manufacturer. Every person engaged in  
640 the business of constructing or assembling vehicles or  
641 manufactured homes.

642 c. In order to qualify for the exemption provided for  
643 herein, the adaptive equipment must be separately stated to  
644 the customer on a bill of sale, invoice, or like



645 memorialization of the transaction.

646 (54) For the period commencing on October 1, 2022, and  
647 ending September 30, 2027, unless extended by an act of the  
648 Legislature, the gross receipts derived from the sale of  
649 producer value added agricultural products when the sale is  
650 made by the producer or by the producer's immediate family, or  
651 for the producer by the producer's employees.

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

658 Section 2. This act shall become effective October 1,  
659 2023, following its passage and approval by the Governor, or  
660 its otherwise becoming law.