

HB51 ENROLLED



1 HB51
2 TVMX591-3
3 By Representative Wilcox
4 RFD: Ways and Means Education
5 First Read: 06-Feb-24
6 PFD: 12-Jan-24



HB51 Enrolled

1 Enrolled, An Act,

2

3 To amend Section 40-23-4, Code of Alabama 1975,
4 relating to sales and use tax exemptions, to exempt the gross
5 proceeds from the sale or sales of hearing instruments,
6 including hearing aids from sales and use tax.

7 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

10 "§40-23-4

11 (a) There are exempted from the provisions of this
12 division and from the computation of the amount of the tax
13 levied, assessed, or payable under this division the
14 following:

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

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

26 (3) The gross proceeds of the sale, or sales, of seeds
27 for planting purposes and baby chicks and poults. Nothing
28 herein shall be construed to exempt or exclude from the



HB51 Enrolled

29 computation of the tax levied, assessed, or payable, the gross
30 proceeds of the sale or sales of plants, seedlings, nursery
31 stock, or floral products.

32 (4) The gross proceeds of sales of insecticides and
33 fungicides when used for agricultural purposes or when used by
34 persons properly permitted by the Department of Agriculture
35 and Industries or any applicable local or state governmental
36 authority for structural pest control work and feed for
37 livestock and poultry, but not including prepared food for
38 dogs and cats.

39 (5) The gross proceeds of sales of all livestock by
40 whomsoever sold, and also the gross proceeds of poultry and
41 other products of the farm, dairy, grove, or garden, when in
42 the original state of production or condition of preparation
43 for sale, when such sale or sales are made by the producer or
44 members of the producer's immediate family or for the producer
45 by those employed by the producer to assist in the production
46 thereof. Nothing herein shall be construed to exempt or
47 exclude from the measure or computation of the tax levied,
48 assessed, or payable hereunder, the gross proceeds of sales of
49 poultry or poultry products when not products of the farm.

50 (6) Cottonseed meal exchanged for cottonseed at or by
51 cotton gins.

52 (7) The gross receipts from the business on which, or
53 for engaging in which, a license or privilege tax is levied by
54 or under Sections 40-21-50, 40-21-53, and 40-21-56 through
55 40-21-60; provided, that nothing contained in this subdivision
56 shall be construed to exempt or relieve the person or persons



HB51 Enrolled

57 operating the business enumerated in these sections from the
58 payments of the tax levied by this division upon or measured
59 by the gross proceeds of sales of any tangible personal
60 property, except gas and water, the gross receipts from the
61 sale of which are the measure of the tax levied by Section
62 40-21-50, merchandise or other tangible commodities sold at
63 retail by the persons, unless the gross proceeds of sale
64 thereof are otherwise specifically exempted by this division.

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

71 (9) The gross proceeds of the sale, or sales of wood
72 residue, coal, or coke to manufacturers, electric power
73 companies, and transportation companies for use or consumption
74 in the production of by-products, or the generation of heat or
75 power used in manufacturing tangible personal property for
76 sale, for the generation of electric power or energy for use
77 in manufacturing tangible personal property for sale or for
78 resale, or for the generation of motive power for
79 transportation.

80 (10) The gross proceeds from the sale or sales of fuel
81 and supplies for use or consumption aboard ships, vessels,
82 towing vessels, or barges, or drilling ships, rigs or barges,
83 or seismic or geophysical vessels, or other watercraft (herein
84 for purposes of this exemption being referred to as "vessels")



HB51 Enrolled

85 engaged in foreign or international commerce or in interstate
86 commerce; provided, that nothing in this division shall be
87 construed to exempt or exclude from the measure of the tax
88 herein levied the gross proceeds of sale or sales of material
89 and supplies to any person for use in fulfilling a contract
90 for the painting, repair, or reconditioning of vessels,
91 barges, ships, other watercraft, and commercial fishing
92 vessels of over five tons load displacement as registered with
93 the U.S. Coast Guard and licensed by the State of Alabama
94 Department of Conservation and Natural Resources.

95 For purposes of this subdivision, it shall be presumed
96 that vessels engaged in the transportation of cargo between
97 ports in the State of Alabama and ports in foreign countries
98 or possessions or territories of the United States or between
99 ports in the State of Alabama and ports in other states are
100 engaged in foreign or international commerce or interstate
101 commerce, as the case may be. For the purposes of this
102 subdivision, the engaging in foreign or international commerce
103 or interstate commerce shall not require that the vessel
104 involved deliver cargo to or receive cargo from a port in the
105 State of Alabama. For purposes of this subdivision, vessels
106 carrying passengers for hire, and no cargo, between ports in
107 the State of Alabama and ports in foreign countries or
108 possessions or territories of the United States or between
109 ports in the State of Alabama and ports in other states shall
110 be engaged in foreign or international commerce or interstate
111 commerce, as the case may be, if, and only if, both of the
112 following conditions are met: (i) The vessel in question is a



HB51 Enrolled

113 vessel of at least 100 gross tons; and (ii) the vessel in
114 question has an unexpired certificate of inspection issued by
115 the United States Coast Guard or by the proper authority of a
116 foreign country for a foreign vessel, which certificate is
117 recognized as acceptable under the laws of the United States.
118 Vessels that are engaged in foreign or international commerce
119 or interstate commerce shall be deemed for the purposes of
120 this subdivision to remain in such commerce while awaiting or
121 under repair in a port of the State of Alabama if the vessel
122 returns after such repairs are completed to engaging in
123 foreign or international commerce or interstate commerce. For
124 purposes of this subdivision, seismic or geophysical vessels
125 which are engaged either in seismic or geophysical tests or
126 evaluations exclusively in offshore federal waters or in
127 traveling to or from conducting such tests or evaluations
128 shall be deemed to be engaged in international or foreign
129 commerce. For purposes of this subdivision, proof that fuel
130 and supplies purchased are for use or consumption aboard
131 vessels engaged in foreign or international commerce or in
132 interstate commerce may be accomplished by the merchant or
133 seller securing the duly signed certificate of the vessel
134 owner, operator, or captain or such person's respective agent,
135 on a form prescribed by the department, that the fuel and
136 supplies purchased are for use or consumption aboard vessels
137 engaged in foreign or international commerce or in interstate
138 commerce. Any person filing a false certificate shall be
139 guilty of a misdemeanor and upon conviction shall be fined not
140 less than twenty-five dollars (\$25) nor more than five hundred



HB51 Enrolled

141 dollars (\$500) for each offense. Each false certificate filed
142 shall constitute a separate offense. Any person filing a false
143 certificate shall be liable to the department for all taxes
144 imposed by this division upon the merchant or seller, together
145 with any interest or penalties thereon, by reason of the sale
146 or sales of fuel and supplies applicable to the false
147 certificate. If a merchant or seller of fuel and supplies
148 secures the certificate herein mentioned, properly completed,
149 the merchant or seller shall not be liable for the taxes
150 imposed by this division, if the merchant or seller had no
151 knowledge that the certificate was false when it was filed
152 with the merchant or seller.

153 (11) The gross proceeds of sales of tangible personal
154 property to the State of Alabama, to the counties within the
155 state and to incorporated municipalities of the State of
156 Alabama.

157 (12) The gross proceeds of the sale or sales of
158 railroad cars, vessels, barges, and commercial fishing vessels
159 of over five tons load displacement as registered with the
160 U.S. Coast Guard and licensed by the State of Alabama
161 Department of Conservation and Natural Resources, when sold by
162 the manufacturers or builders thereof.

163 (13) The gross proceeds of the sale or sales of
164 materials, equipment, and machinery that, at any time, enter
165 into and become a component part of ships, vessels, towing
166 vessels or barges, or drilling ships, rigs or barges, or
167 seismic or geophysical vessels, other watercraft and
168 commercial fishing vessels of over five tons load displacement



HB51 Enrolled

169 as registered with the U.S. Coast Guard and licensed by the
170 State of Alabama Department of Conservation and Natural
171 Resources. Additionally, the gross proceeds from the sale or
172 sales of lifeboats, personal flotation devices, ring life
173 buoys, survival craft equipment, distress signals, EPIRB's,
174 fire extinguishers, injury placards, waste management plans
175 and logs, marine sanitation devices, navigation rulebooks,
176 navigation lights, sound signals, navigation day shapes, oil
177 placard cards, garbage placards, FCC SSL, stability
178 instructions, first aid equipment, compasses, anchor and radar
179 reflectors, general alarm systems, bilge pumps, piping, and
180 discharge and electronic position fixing devices which are
181 used on the aforementioned watercraft.

182 (14) The gross proceeds of the sale or sales of fuel
183 oil purchased as fuel for kiln use in manufacturing
184 establishments.

185 (15) The gross proceeds of the sale or sales of
186 tangible personal property to county and city school boards
187 within the State of Alabama, independent school boards within
188 the State of Alabama, all educational institutions and
189 agencies of the State of Alabama, the counties within the
190 state, or any incorporated municipalities of the State of
191 Alabama, and private educational institutions operating within
192 the State of Alabama offering conventional and traditional
193 courses of study, such as those offered by public schools,
194 colleges, or universities within the State of Alabama; but not
195 including nurseries, day care centers, and home schools.

196 (16) The gross proceeds from the sale of all devices or



HB51 Enrolled

197 facilities, and all identifiable components thereof, or
198 materials for use therein, acquired primarily for the control,
199 reduction, or elimination of air or water pollution and the
200 gross proceeds from the sale of all identifiable components
201 of, or materials used or intended for use in, structures built
202 primarily for the control, reduction, or elimination of air
203 and water pollution.

204 (17) The gross proceeds of sales of tangible personal
205 property or the gross receipts of any business which the state
206 is prohibited from taxing under the Constitution or laws of
207 the United States or under the Constitution of this state.

208 (18) When dealers or distributors use parts taken from
209 stocks owned by them in making repairs without charge for the
210 parts to the owner of the property repaired pursuant to
211 warranty agreements entered into by manufacturers, such use
212 shall not constitute taxable sales to the manufacturers,
213 distributors, or to the dealers, under this division or under
214 any county sales tax law.

215 (19) The gross proceeds received from the sale or
216 furnishing of food, including potato chips, candy, fruit and
217 similar items, soft drinks, tobacco products, and stationery
218 and other similar or related articles by hospital canteens
219 operated by Alabama state hospitals at Bryce Hospital and
220 Partlow State School for Mental Deficients at Tuscaloosa,
221 Alabama, and Searcy Hospital at Mt. Vernon, Alabama, for the
222 benefit of the patients therein.

223 (20) The gross proceeds of the sale, or sales, of
224 wrapping paper and other wrapping materials when used in



HB51 Enrolled

225 preparing poultry or poultry products for delivery, shipment,
226 or sale by the producer, processor, packer, or seller of such
227 poultry or poultry products, including pallets used in
228 shipping poultry and egg products, paper or other materials
229 used for lining boxes or other containers in which poultry or
230 poultry products are packed together with any other materials
231 placed in such containers for the delivery, shipment, or sale
232 of poultry or poultry products.

233 (21) The gross proceeds of the sales of all
234 antibiotics, hormones and hormone preparations, drugs,
235 medicines or medications, vitamins, minerals or other
236 nutrients, and all other feed ingredients including
237 concentrates, supplements, and other feed ingredients when
238 such substances are used as ingredients in mixing and
239 preparing feed for fish raised to be sold on a commercial
240 basis, livestock, and poultry. Such exemption herein granted
241 shall be in addition to exemptions now provided by law for
242 feed for fish raised to be sold on a commercial basis,
243 livestock, and poultry, but not including prepared foods for
244 dogs or cats.

245 (22) The gross proceeds of the sale, or sales, of
246 seedlings, plants, shoots, and slips which are to be used for
247 planting vegetable gardens or truck farms and other
248 agricultural purposes. Nothing herein shall be construed to
249 exempt, or exclude from the computation of the tax levied,
250 assessed, or payable, the gross proceeds of the sale, or the
251 use of plants, seedlings, shoots, slips, nursery stock, and
252 floral products, except as hereinabove exempted.



HB51 Enrolled

253 (23) The gross proceeds of the sale, or sales, of
254 fabricated steel tube sections, when produced and fabricated
255 in this state by any person, firm, or corporation for any
256 vehicular tunnel for highway vehicular traffic, when sold by
257 the manufacturer or fabricator thereof, and also the gross
258 proceeds of the sale, or sales, of steel which enters into and
259 becomes a component part of such fabricated steel tube
260 sections of said tunnel.

261 (24) The gross proceeds from sales of admissions to any
262 theatrical production, symphonic or other orchestral concert,
263 ballet, or opera production when the concert or production is
264 presented by any society, association, guild, or workshop
265 group, organized within this state, whose members or some of
266 whose members regularly and actively participate in the
267 concerts or productions for the purposes of providing a
268 creative outlet for the cultural and educational interests of
269 its members, and of promoting such interests for the
270 betterment of the community by presenting the productions to
271 the general public for an admission charge. The employment of
272 a paid director or conductor to assist in any such
273 presentation described in this subdivision shall not be
274 construed to prohibit the exemptions herein provided.

275 (25) The gross proceeds of sales of "herbicides" for
276 agricultural uses by whomsoever sold. The term herbicides, as
277 used in this subdivision, means any substance or mixture of
278 substances intended to prevent, destroy, repel, or retard the
279 growth of weeds or plants. The term includes preemergence
280 herbicides, postemergence herbicides, lay-by herbicides,



HB51 Enrolled

281 pasture herbicides, defoliant herbicides, and desiccant
282 herbicides.

283 (26) The Alabama Chapter of the Cystic Fibrosis
284 Research Foundation and the Jefferson Tuberculosis Sanatorium
285 and any of their departments or agencies, heretofore or
286 hereafter organized and existing in good faith in the State of
287 Alabama for purposes other than for pecuniary gain and not for
288 individual profit, shall be exempted from the computation of
289 the tax on the gross proceeds of all sales levied, assessed,
290 or payable.

291 (27) The gross proceeds from the sale or sales of fuel
292 for use or consumption aboard commercial fishing vessels are
293 exempt from the computation of all sales taxes levied,
294 assessed, or payable under this division or levied under any
295 county or municipal sales tax law.

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

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

303 (30) The gross proceeds of the sales of all
304 antibiotics, hormones and hormone preparations, drugs,
305 medicines, and other medications including serums and
306 vaccines, vitamins, minerals, or other nutrients for use in
307 the production and growing of fish, livestock, and poultry by
308 whomsoever sold. The exemption herein granted shall be in



HB51 Enrolled

309 addition to the exemption provided by law for feed for fish,
310 livestock, and poultry, and in addition to the exemptions
311 provided by law for the above-enumerated substances and
312 products when mixed and used as ingredients in fish,
313 livestock, and poultry feed.

314 (31) The gross proceeds of the sale or sales of all
315 medicines prescribed by physicians for persons who are 65
316 years of age or older, and when the prescriptions are filled
317 by licensed pharmacists, shall be exempted under this division
318 or under any county or municipal sales tax law. The exemption
319 provided in this section shall not apply to any medicine
320 purchased in any manner other than as is herein provided.

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

324 a. The name and claim number as shown on a Medicare
325 card issued by the United States Social Security
326 Administration.

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

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

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



HB51 Enrolled

337 (32) There shall be exempted from the tax levied by
338 this division the gross receipts of sales of grass sod of all
339 kinds and character when in the original state of production
340 or condition of preparation for sale, when the sales are made
341 by the producer or members of the producer's family or for the
342 producer by those employed by the producer to assist in the
343 production thereof; provided, that nothing herein shall be
344 construed to exempt sales of sod by a person engaged in the
345 business of selling plants, seedlings, nursery stock, or
346 floral products.

347 (33) The gross receipts of sales of the following items
348 or materials that are necessary in the farm-to-market
349 production of tomatoes when such items or materials are used
350 by the producer or members of the producer's family or for the
351 producer by those employed by the producer to assist in the
352 production thereof: Twine for tying tomatoes, tomato stakes,
353 field boxes (wooden boxes used to take tomatoes from the
354 fields to shed), and tomato boxes used in shipments to
355 customers.

356 (34) The gross proceeds from the sale of liquefied
357 petroleum gas or natural gas sold to be used for agricultural
358 purposes.

359 (35) The gross receipts of sales from state nurseries
360 of forest tree seedlings.

361 (36) The gross receipts of sales of forest tree seed by
362 the state.

363 (37) The gross receipts of sales of Lespedeza bicolor
364 and other species of perennial plant seed and seedlings sold



HB51 Enrolled

365 for wildlife and game food production purposes by the state.

366 (38) The gross receipts of any aircraft manufactured,
367 sold, and delivered in this state if the aircraft are not
368 permanently domiciled in Alabama and are removed to another
369 state.

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

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

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

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

378 c. Determines a national championship of a national
379 organization, including, but not limited to, the Professional
380 Golfers Association of America, the Tournament Players
381 Association, the United States Golf Association, the United
382 States Tennis Association, and the National Collegiate
383 Athletic Association; and

384 d. Has not been held in the State of Alabama on more
385 than one prior occasion, provided, however, that for such
386 purpose the Professional Golfers Association Championship, the
387 United States Open Golf Championship, the United States
388 Amateur Golf Championship of the United States Golf
389 Association, and the United States Open Tennis Championship
390 shall each be treated as a separate event.

391 (41) The gross receipts from the sale of any aircraft
392 and replacement parts, components, systems, supplies, and



HB51 Enrolled

393 sundries affixed or used on the aircraft and ground support
394 equipment and vehicles used by or for the aircraft to or by a
395 certificated or licensed air carrier with a hub operation
396 within this state, for use in conducting intrastate,
397 interstate, or foreign commerce for transporting people or
398 property by air. For the purpose of this subdivision, the
399 words "hub operation within this state" shall be construed to
400 have both of the following criteria:

401 a. There originates from the location 15 or more flight
402 departures and five or more different first-stop destinations
403 five days per week for six or more months during the calendar
404 year.

405 b. Passengers or property or both are regularly
406 exchanged at the location between flights of the same or a
407 different certificated or licensed air carrier.

408 (42) The gross receipts from the sale of hot or cold
409 food and beverage products sold to or by a certificated or
410 licensed air carrier with a hub operation within this state,
411 for use in conducting intrastate, interstate, or foreign
412 commerce for transporting people or property by air. For the
413 purpose of this subdivision, the words "hub operation within
414 this state" shall be construed to have all of the following
415 criteria:

416 a. There originates from the location 15 or more flight
417 departures and five or more different first-stop destinations
418 five days per week for six or more months during the calendar
419 year.

420 b. Passengers or property or both are regularly



HB51 Enrolled

421 exchanged at the location between flights of the same or a
422 different certificated or licensed air carrier.

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

429 a. Air Carrier. Any person, firm, corporation, or
430 entity undertaking by any means, directly or indirectly, to
431 provide air transportation.

432 b. All-Cargo Operations. Any flight conducted by an air
433 carrier for compensation or hire other than a passenger
434 carrying flight, except passengers as specified in 14 C.F.R. §
435 121.583(a) or 14 C.F.R. § 135.85, as amended.

436 c. International Commerce. Any air carrier engaged in
437 all-cargo operations transporting goods for compensation or
438 hire on international flights.

439 d. International Flights. Any air carrier conducting
440 scheduled all-cargo operations between any point within the 50
441 states of the United States and the District of Columbia and
442 any point outside the 50 states of the United States and the
443 District of Columbia, including any interim stops within the
444 United States so long as the ultimate origin or destination of
445 the aircraft is outside the United States and the District of
446 Columbia.

447 (44) The gross proceeds of the sale or sales of the
448 following:



HB51 Enrolled

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

452 b. Tangible personal property exclusively used for the
453 exploration for or production of oil, gas, sulphur, or other
454 minerals in offshore federal waters.

455 c. Fuel and supplies for use or consumption aboard
456 boats, ships, aircraft, and towing vessels when used
457 exclusively in transporting persons or property between a
458 point in Alabama and a point or points in offshore federal
459 waters for the exploration for or production of oil, gas,
460 sulphur, or other minerals in offshore federal waters.

461 d. Drilling equipment that is used for the exploration
462 for or production of oil, gas, sulphur, or other minerals,
463 that is built for exclusive use outside this state and that
464 is, on completion, removed forthwith from this state.

465 The delivery of items exempted by this subdivision to
466 the purchaser or lessee in this state does not disqualify the
467 purchaser or lessee from the exemption if the property is
468 removed from the state by any means, including by the use of
469 the purchaser's or lessee's own facilities.

470 The shipment to a place in this state of equipment
471 exempted by this subdivision for further assembly or
472 fabrication does not disqualify the purchaser or lessee from
473 the exemption if on completion of the further assembly or
474 fabrication the equipment is removed forthwith from this
475 state. This subdivision applies to a sale that may occur when
476 the equipment exempted is further assembled or fabricated if



HB51 Enrolled

477 on completion the equipment is removed forthwith from this
478 state.

479 (45) The gross receipts derived from all bingo games
480 and operations that are conducted in compliance with validly
481 enacted legislation authorizing the conduct of such games and
482 operations, and which comply with the distribution
483 requirements of the applicable local laws; provided that the
484 exemption from sales taxation granted by this subdivision
485 shall apply only to gross receipts taxable under subdivision
486 (2) of Section 40-23-2. It is further provided that this
487 exemption shall not apply to any gross receipts from the sale
488 of tangible personal property, such as concessions, novelties,
489 food, beverages, etc. The exemption provided for in this
490 section shall be limited to those games and operations by
491 organizations that have qualified for exemption under the
492 provisions of 26 U.S.C. § 501 (c) (3), (4), (7), (8), (10), or
493 (19), or which are defined in 26 U.S.C. § 501(d).

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

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

502 (48) The gross receipts from the sale or sales of
503 metal, other than gold or silver, when such metal is purchased
504 for the purpose of transferring such metal to an investment



HB51 Enrolled

505 trust in exchange for shares or other units, each of which are
506 both publicly traded and represent fractional undivided
507 beneficial interests in the trust's net assets, including
508 metal stored in warehouses located in this state, as well as
509 the gross proceeds from the sale or other transfer of such
510 metal to or from the investment trust in exchange for shares
511 or other units that are publicly traded and represent
512 fractional undivided beneficial interests in the trust's net
513 assets but not to the extent that metal is transferred to or
514 from the investment trust in exchange for consideration other
515 than such publicly traded shares or other units. For purposes
516 of this subdivision, the term "metals" includes, but is not
517 limited to, copper, aluminum, nickel, zinc, tin, lead, and
518 other similar metals typically used in commercial and
519 industrial applications.

520 (49)a. For the period commencing on October 1, 2012,
521 and ending May 30, 2027, the gross receipts from the sale of
522 parts, components, and systems that become a part of a fixed
523 or rotary wing military aircraft or certified transport
524 category aircraft that undergoes conversion, reconfiguration,
525 or general maintenance so long as the address of the aircraft
526 for FAA registration is not in the state; provided, however,
527 that this exemption shall not apply to a local sales tax
528 unless previously exempted by local law or approved by
529 resolution of the local governing body.

530 b. The exemption authorized by this subdivision shall
531 not be available for sales of parts, components, or systems
532 for new contracts or projects entered into after May 30, 2027,



HB51 Enrolled

533 unless the Legislature enacts legislation to continue or
534 reinstate the exemption for new contracts or projects after
535 that date. No action or inaction on the part of the
536 Legislature shall reduce, suspend, or disqualify sales of
537 parts, components, or systems from the exemption in any past
538 year or future years until May 30, 2030, with respect to
539 contracts or projects entered into on or before May 30, 2027;
540 it being the sole intent that failure of the Legislature to
541 enact legislation to reinstate the exemption for new contracts
542 or projects after May 30, 2027, shall affect only the
543 availability of the exemption to new contracts and projects
544 after that date and shall not affect availability of the
545 exemption for contracts or projects entered into on or before
546 May 30, 2027, for which the exemption shall be available until
547 May 30, 2030.

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

552 (51) The gross proceeds of services provided by
553 photographers, including, but not limited to, sitting fees and
554 consultation fees, even when provided as part of a transaction
555 ultimately involving the sale of one or more photographs, so
556 long as the exempt services are separately stated to the
557 customer on a bill of sale, invoice, or like memorialization
558 of the transaction. For transactions occurring before October
559 1, 2017, neither the Department of Revenue nor local tax
560 officials may seek payment for sales tax not collected. With



HB51 Enrolled

561 regard to such transactions in which sales tax was collected
562 and remitted on services provided by photographers, neither
563 the taxpayer nor the entity remitting sales tax shall have the
564 right to seek refund of such tax.

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

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

571 1. Bullion. Gold, silver, platinum, palladium, or a
572 combination of each precious metal, that has gone through a
573 refining process and for which the item's value depends on its
574 mass and purity, and not on its form, numismatic value, or
575 other value. The term includes bullion in the form of bars,
576 ingots, rounds, or coins that meet the requirements set forth
577 above. Qualifying bullion may contain other metals or
578 substances, provided that the other substances are minimal in
579 value compared with the value of the gold, silver, platinum,
580 or palladium and the other substances do not add value to the
581 item. For purposes of this subparagraph, "gold, silver,
582 platinum, or palladium" does not include jewelry or works of
583 art.

584 2. Mass. An item's mass is its weight in precious
585 metal.

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



HB51 Enrolled

589 4. Purity. An item's purity is the proportion of
590 precious metal contained within.

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

594 1. Must be refined.

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

597 3. The sales price of the item must fluctuate with and
598 depend on the market price of the underlying precious metal,
599 and not on the item's rarity, condition, age, or other
600 external factor.

601 (53) a. The gross proceeds of the initial retail sales
602 of adaptive equipment that is permanently affixed to a motor
603 vehicle.

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

606 1. Adaptive Equipment. Equipment not generally used by
607 persons with normal mobility that is appropriate for use in a
608 motor vehicle and that is not normally provided by a motor
609 vehicle manufacturer.

610 2. Motor Vehicle. A vehicle as defined in Section
611 40-12-240.

612 3. Motor Vehicle Manufacturer. Every person engaged in
613 the business of constructing or assembling vehicles or
614 manufactured homes.

615 c. In order to qualify for the exemption provided for
616 herein, the adaptive equipment must be separately stated to



HB51 Enrolled

617 the customer on a bill of sale, invoice, or like
618 memorialization of the transaction.

619 (54) For the period commencing on October 1, 2022, and
620 ending September 30, 2027, unless extended by an act of the
621 Legislature, the gross receipts derived from the sale of
622 producer value added agricultural products when the sale is
623 made by the producer or by the producer's immediate family, or
624 for the producer by the producer's employees.

625 (55) For the period commencing on October 1, 2024, and
626 ending September 30, 2029, unless extended by an act of the
627 Legislature, the gross proceeds of the sale or sales of
628 hearing instruments as defined in Section 34-14-1, including
629 hearing aids. The exemption provided in this subdivision shall
630 not apply to county or municipal sales taxes unless approved
631 by resolution or ordinance adopted by the local governing
632 body.

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

639 Section 2. This act shall become effective on September
640 1, 2024.



HB51 Enrolled

641
642
643
644
645
646
647
648
649
650
651
652
653
654
655
656
657
658
659
660
661
662
663
664
665
666
667
668
669
670
671
672
673

Speaker of the House of Representatives

President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in and was passed by the House 29-Feb-24, as amended.

John Treadwell
Clerk

Senate	<hr/> 08-May-24 <hr/>	Amended and Passed
House	<hr/> 09-May-24 <hr/>	Concurred in Senate Amendment