

HOUSE BILL 467

By McCormick

AN ACT to amend Tennessee Code Annotated, Title 67, Chapter 6, Part 3, relative to exemptions from taxation for sales and repair services related to large aircraft.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-6-302, is amended by adding the following as a new subsection:

(c)

(1) There is exempt from sales or use tax, the sale, use, storage, or consumption of parts, components, accessories, materials, equipment, and supplies that are sold to or sold, used, or installed by an authorized large aircraft service facility. This exemption shall not apply to fuel and other petroleum products or to shop equipment and tools.

(2) As used in this subsection (c):

(A) "Authorized large aircraft service facility" means a repair station located within this state that is engaged in repair and refurbishment services of large aircraft mainframes, large aircraft engine equipment, and large aircraft accessories under a valid air agency certificate issued by the federal aviation administration in accordance with 14 CFR Part 145 of the federal aviation regulations, with an authorized class rating of Air Frame Class IV, and organization designation authority, or such other similar or successor certificate, rating, and authority as the federal aviation administration may provide for from time to time;

(B) "Large aircraft" means any aircraft that has a certified maximum take-off weight of twelve thousand five hundred pounds (12,500 lbs.) or greater;

(C) "Large aircraft accessories" means any accessories, appurtenances, equipment, or components for installation in or use in connection with any large aircraft mainframes or large aircraft engines;

(D) "Large aircraft engine equipment" means any aircraft engine, including all associated parts, appurtenances, and accessories, for the propulsion of a large aircraft mainframe;

(E) "Large aircraft mainframes" means any aircraft body, wing, tail assembly, aileron, rudder, landing gear, engine housing, and any other assembly or component integral to the aerodynamic structure of large aircraft; and

(F) "Repair and refurbishment services" includes, but is not limited to, testing, inspections, interior completions, refurbishments, painting, modifications, repairs, maintenance, or overhaul of large aircraft mainframes, large aircraft engine equipment, and large aircraft accessories.

SECTION 2. Tennessee Code Annotated, Section 67-6-313, is amended by adding the following as a new subsection:

(k)

(1) There is exempt from the sales and use tax all repair and refurbishment service labor performed with respect to large aircraft mainframes, large aircraft engine equipment, and large aircraft accessories, where the repair services on the mainframes, equipment, and accessories are initiated, contracted, performed, or completed in or by an authorized large aircraft service facility within this state.

(2) In addition to the exemptions provided in subdivision (h)(1), there is exempt from the sales and use tax all sales and purchases of large aircraft and related equipment, and their use, storage, or consumption within this state following the sale and purchase, where the large aircraft and related equipment have or are intended to have a situs outside of this state following the sale and purchase, and where the large aircraft and related equipment are in and remain within this state following the sale and purchase solely for purposes of repair and refurbishment services by an authorized large aircraft service facility, and are in fact removed from this state within fifteen (15) days from the completion of the repair and refurbishment services.

(3) As used in this subsection (k):

(A) "Authorized large aircraft service facility," "large aircraft," "large aircraft accessories," "large aircraft engine equipment," "large aircraft mainframes," and "repair and refurbishment services" have the same meanings as defined in § 67-6-302;

(B) "Large aircraft and related equipment" means a large aircraft consisting of a large aircraft mainframe and large aircraft engine equipment, including any large aircraft accessories associated with the large aircraft or aircraft engine, whether installed or uninstalled; and

(C) "Repair and refurbishment service labor" means all labor performed in connection with repair and refurbishment services.

SECTION 3. This act shall take effect at 12:01 a.m. on July 1, 2015, the public welfare requiring it.