

By: Schwertner, Seliger

S.B. No. 1214

A BILL TO BE ENTITLED

AN ACT

relating to the sales and use tax exemption for certain aircraft.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Sections 151.328(a) and (h), Tax Code, are amended to read as follows:

(a) Aircraft are exempted from the taxes imposed by this chapter if:

(1) sold to a person using the aircraft as a certificated or licensed carrier of persons or property;

(2) sold to a person who:

(A) has a sales tax permit issued under this chapter; and

(B) uses the aircraft for the purpose of providing flight instruction that is:

(i) recognized by the Federal Aviation Administration;

(ii) under the direct or general supervision of a flight instructor certified by the Federal Aviation Administration; and

(iii) designed to lead to a pilot certificate or rating issued by the Federal Aviation Administration or otherwise required by a rule or regulation of the Federal Aviation Administration;

(3) sold to a foreign government;

1 (4) sold in this state to a person for use and
2 registration in another state or nation before any use in this state
3 other than flight training in the aircraft and the transportation
4 of the aircraft out of this state; or

5 (5) sold in this state to a person for use exclusively
6 in connection with an agricultural use, as defined by Section
7 [23.51](#), and used for:

- 8 (A) predator control;
9 (B) wildlife or livestock capture;
10 (C) wildlife or livestock surveys;
11 (D) census counts of wildlife or livestock;
12 (E) animal or plant health inspection services;
13 ~~[or]~~
14 (F) crop dusting, pollination, or seeding; or
15 (G) any other use necessary to operate a business

16 that performs any service described by Paragraphs (A)-(F).

17 (h) For purposes of the exemption under Subsection (a)(5),
18 an aircraft is considered to be for use exclusively in connection
19 with an agricultural use if 95 percent of the use of the aircraft is
20 for a purpose described by Subsections (a)(5)(A)-(G)
21 ~~[(a)(5)(A)-(F)]~~. Intrastate travel ~~[Travel of less than 30 miles~~
22 ~~each way]~~ to a location to perform a service described by
23 Subsections (a)(5)(A)-(G) ~~[(a)(5)(A)-(F)]~~ does not disqualify an
24 aircraft from the exemption under Subsection (a)(5). A person who
25 claims an exemption under Subsection (a)(5) must maintain and make
26 available to the comptroller flight records for all uses of the
27 aircraft.

1 SECTION 2. The changes in law made by this Act do not affect
2 tax liability accruing before the effective date of this Act. That
3 liability continues in effect as if this Act had not been enacted,
4 and the former law is continued in effect for the collection of
5 taxes due and for civil and criminal enforcement of the liability
6 for those taxes.

7 SECTION 3. This Act takes effect September 1, 2019.