

Second Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO

REENGROSSED

*This Version Includes All Amendments
Adopted in the House of Introduction*

LLS NO. 14-1049.01 Nicole Myers x4326

HOUSE BILL 14-1374

HOUSE SPONSORSHIP

Holbert and Kraft-Tharp,

SENATE SPONSORSHIP

Hodge and Scheffel,

House Committees
Finance

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE INCLUSION OF ON-DEMAND AIR CARRIERS IN THE**
102 **SALES AND USE TAX EXEMPTION FOR CERTAIN AIRCRAFT.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

Current law provides a sales and use tax exemption for the sale, storage, use, or consumption of aircraft used or purchased for use in interstate commerce by a commercial airline. The sales and use tax exemption does not currently apply to on-demand air carriers, such as charter air carriers. Beginning July 1, 2014, the bill includes a sales and

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

HOUSE
3rd Reading Unamended
April 28, 2014

HOUSE
Amended 2nd Reading
April 25, 2014

use tax exemption for the sale, storage, use, or consumption of aircraft used or purchased for use in interstate commerce by an on-demand air carrier.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **add** 39-26-711.8 as
3 follows:

4 **39-26-711.8. Aircraft - use outside state - on-demand air**
5 **carriers.** (1) NOTWITHSTANDING SECTION 39-26-711.5, ON AND AFTER
6 JULY 1, 2014, BUT PRIOR TO JULY 1, 2019, THE SALE OF A NEW OR USED
7 AIRCRAFT SHALL BE EXEMPT FROM TAXATION UNDER THE PROVISIONS OF
8 PART 1 AND PART 2 OF THIS ARTICLE IF:

9 (a) THE AIRCRAFT IS PURCHASED FOR USE BY AN ON-DEMAND AIR
10 CARRIER, REGARDLESS OF WHETHER THE PURCHASER IS A RESIDENT OF THE
11 STATE;

12 (b) THE AIRCRAFT WILL REMAIN IN THE STATE ONLY FOR THE
13 PURPOSE OF FINAL ASSEMBLY, MAINTENANCE, MODIFICATION, OR
14 COMPLETION;

15 (c) THE AIRCRAFT WILL BE REMOVED FROM THE STATE WITHIN ONE
16 HUNDRED TWENTY DAYS AFTER THE DATE OF THE SALE; AND

17 (d) THE AIRCRAFT WILL NOT BE IN THE STATE MORE THAN
18 SEVENTY-THREE DAYS IN ANY OF THE THREE CALENDAR YEARS
19 FOLLOWING THE CALENDAR YEAR IN WHICH THE AIRCRAFT IS REMOVED
20 FROM THE STATE PURSUANT TO PARAGRAPH (c) OF THIS SUBSECTION (1).

21 (2) A PURCHASER OF AN AIRCRAFT WHO CLAIMS THE EXEMPTION
22 ALLOWED BY THIS SECTION SHALL, AT THE TIME OF PURCHASE, PROVIDE TO
23 THE SELLER AN AFFIDAVIT THAT THE AIRCRAFT WILL BE USED BY AN
24 ON-DEMAND AIR CARRIER AND THAT THE PURCHASER AGREES TO PAY THE

1 TAX IMPOSED BY PART 1 OR PART 2 OF THIS ARTICLE, AS APPLICABLE, IF
2 THE PURCHASER FAILS TO COMPLY WITH THE REQUIREMENTS OF
3 PARAGRAPHS (b), (c) AND (d) OF SUBSECTION (1) OF THIS SECTION.

4 (3) AN AIRCRAFT THAT IS HANGARED OR PARKED OVERNIGHT
5 SHALL BE CONSIDERED TO BE IN THE STATE FOR PURPOSES OF THIS
6 SECTION.

7 **SECTION 2. Effective date.** This act takes effect July 1, 2014.

8 **SECTION 3. Safety clause.** The general assembly hereby finds,
9 determines, and declares that this act is necessary for the immediate
10 preservation of the public peace, health, and safety.