

1 ENGROSSED SENATE AMENDMENT  
TO

2 ENGROSSED HOUSE  
BILL NO. 2253

By: Brumbaugh of the House

and

Fields of the Senate

3  
4  
5  
6  
7 An Act relating to revenue and taxation; amending 68  
8 O.S. 2011, Sections 6001 and 6003, as amended by  
9 Section 1, Chapter 380, O.S.L. 2013 (68 O.S. Supp.  
10 2016, Section 6003), which relate to aircraft excise  
11 tax; modifying definition; modifying provisions  
12 related to certain exemption; providing an effective  
13 date; and declaring an emergency.

14  
15  
16  
17  
18  
19  
20  
21 AMENDMENT NO. 1. Page 1, strike the title, enacting clause and  
entire bill and insert

22 "An Act relating to revenue and taxation; amending 68  
23 O.S. 2011, Sections 6001 and 6003, as amended by  
24 Section 1, Chapter 380, O.S.L. 2013 (68 O.S. Supp.  
2016, Section 6003), which relate to aircraft excise  
tax; modifying definition; modifying provisions  
related to certain exemption; requiring certain  
report to the Oklahoma Tax Commission; excluding  
certain operations from applicability; providing an  
effective date; and declaring an emergency.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 68 O.S. 2011, Section 6001, is  
amended to read as follows:

Section 6001. As used in Section 6001 et seq. of this title:

1        1. "Aircraft" means and includes every self-propelled plane,  
2 airplane, helicopter, or balloon or sailplane manufactured by mass  
3 production or individually constructed or assembled, used, or  
4 designed for navigation or flight in the air or airspace, and  
5 subject to registration with the Federal Aviation Administration;

6        2. "Commercial airline" means an air carrier, foreign air  
7 carrier or intrastate air carrier, as defined by Section 40102 of  
8 Title 49 of the United States Code, 49 U.S.C., Section 40102, and  
9 operating pursuant to Part 121 or 129 of Title 14 of the Code of  
10 Federal Regulations, 14 CFR, Part 121 or 129, or conducting  
11 scheduled or unscheduled services pursuant to Part 135 thereof,  
12 provided any such aircraft used to provide such services operates  
13 under Part 135 for at least fifty percent (50%) of its annual  
14 operations. For the purpose of satisfying this requirement, such  
15 operations may not include those chartered by the aircraft owner as  
16 an individual or as a business entity in which the aircraft owner  
17 owns a majority interest;

18        3. "Purchase price" means the total amount paid for the  
19 aircraft whether paid in money or otherwise. "Purchase price" is  
20 further defined as the fair market value when no current purchase is  
21 involved; and

22        4. "Use" means and includes the operation or basing of an  
23 aircraft on or from any airport in this state for a period of thirty  
24 (30) days or more. For purposes of Section 6001 et seq. of this

1 title, the term "use" does not apply to aircraft which are intended  
2 for exclusive use in another state, but which are stored in this  
3 state pending shipment to such other state, or aircraft which are  
4 retained in this state solely for fabrication, repair, testing,  
5 alteration, modification, refurbishing or maintenance.

6 SECTION 2. AMENDATORY 68 O.S. 2011, Section 6003, as  
7 amended by Section 1, Chapter 380, O.S.L. 2013 (68 O.S. Supp. 2016,  
8 Section 6003), is amended to read as follows:

9 Section 6003. The following aircraft shall be exempt from  
10 provisions of Section 6001 et seq. of this title:

11 1. Aircraft manufactured under an F.A.A. approved certificate  
12 and which are owned and in the physical possession of the  
13 manufacturer of the aircraft. The aircraft shall have an aircraft  
14 exemption license as provided for in Section 254 of Title 3 of the  
15 Oklahoma Statutes;

16 2. Aircraft owned by dealers and in the dealer's inventory, not  
17 including aircraft that are used personally or for business. In  
18 order for this exemption to apply, the dealer shall be licensed in  
19 accordance with Section 254.1 of Title 3 of the Oklahoma Statutes;

20 3. Aircraft of the federal government, any agency thereof, any  
21 territory or possession, any state government, agency, or political  
22 subdivision thereof;

23 4. Aircraft transferred from one corporation or limited  
24 liability company to another corporation or limited liability

1 company pursuant to reorganization of the corporation or limited  
2 liability company. For the purpose of this section the term  
3 reorganization means a statutory merger, consolidation, or  
4 acquisition;

5 5. Aircraft purchased or used by commercial airlines as defined  
6 by paragraph 2 of Section 6001 of this title, provided any such  
7 aircraft does not operate under Part 91 of Title 14 of the Code of  
8 Federal Regulations, 14 C.F.R., Part 91, for more than fifty percent  
9 (50%) of its annual operations. If the operations of such aircraft  
10 are not at least fifty percent (50%) Part 135 charter operations  
11 annually, the excise tax levied pursuant to the provisions of  
12 Section 6002 of this title shall be due and payable. An aircraft  
13 owner shall provide a report to the Oklahoma Tax Commission on an  
14 annual basis detailing the operations of the aircraft and any  
15 supporting flight, maintenance or charter log books required by the  
16 Commission. For the purpose of satisfying this requirement, such  
17 operations may not include those chartered by the aircraft owner as  
18 an individual or as a business entity in which the aircraft owner  
19 owns a majority interest;

20 6. Aircraft transferred in connection with the dissolution or  
21 liquidation of a corporation or limited liability company and only  
22 if included in a payment in kind to the shareholders or members;

23 7. Aircraft transferred to a corporation for the purpose of  
24 organizing such corporation. However, the former owners of the

1 aircraft must have control of the corporation in proportion to their  
2 interest in the aircraft prior to the transfer;

3 8. Aircraft transferred to a partnership or limited liability  
4 company when the organization of the partnership or limited  
5 liability company is by the former owners of the aircraft. However,  
6 the former owners of the aircraft must have control of the  
7 partnership in proportion to their interest in the aircraft prior to  
8 the transfer;

9 9. Aircraft transferred from a partnership or limited liability  
10 company to the members of the partnership or limited liability  
11 company and if made in payment in kind in the dissolution of the  
12 partnership;

13 10. Aircraft transferred or conveyed to a partner of a  
14 partnership or shareholder or member of a limited liability company  
15 or other person who after such sale owns a joint interest in the  
16 aircraft and on which the sales or use tax levied pursuant to the  
17 provisions of this title or the excise tax levied pursuant to the  
18 provisions of Section 6002 of this title have previously been paid  
19 on the aircraft;

20 11. Aircraft on which a tax levied pursuant to the provisions  
21 of the laws of another state, equal to or in excess of the excise  
22 tax levied by Section 6002 of this title, has been paid by the  
23 person using the aircraft in this state. Aircraft on which a tax  
24 levied pursuant to the laws of another state, in an amount less than

1 the excise tax levied by Section 6002 of this title, has been paid  
2 by the person using the aircraft in this state shall be subject to  
3 the levy of the excise tax at a rate equal to the difference between  
4 the rate of tax levied by Section 6002 of this title and the rate of  
5 tax levied by the other state;

6 12. Aircraft when legal ownership of such aircraft is obtained  
7 by the applicant for a certificate of title by inheritance;

8 13. Aircraft when legal ownership of such aircraft is obtained  
9 by the lienholder or mortgagee under or by foreclosure of a lien or  
10 mortgage in the manner provided for by law;

11 14. Aircraft which is transferred between husband and wife or  
12 parent and child where no valuable consideration is given;

13 15. Aircraft which is purchased by a resident of this state and  
14 used exclusively in this state for agricultural spraying purposes;  
15 provided, if such aircraft is sold, leased or used outside this  
16 state or for a purpose other than agricultural spraying at any time  
17 within three (3) years from the date of purchase, the excise tax  
18 levied pursuant to the provisions of Section 6002 of this title  
19 shall be due and payable. For purposes of this subsection,  
20 "agricultural spraying" means the aerial application of any  
21 substance sold and used for soil enrichment or soil corrective  
22 purposes or for promoting the growth and productivity of plants and  
23 animals;

24

1        16. Aircraft which have a selling price in excess of Two  
2 Million Five Hundred Thousand Dollars (\$2,500,000.00) and which are  
3 transferred to a purchaser who is not a resident of this state for  
4 immediate transfer out of state;

5        17. Aircraft which is transferred without consideration between  
6 an individual and an express trust which that individual or the  
7 spouse, child or parent of that individual has a right to revoke;  
8 and

9        18. Rotary-wing aircraft purchased to be used exclusively for  
10 the purpose of training U.S. military personnel or other training  
11 authorized by the U.S. Government. The exemption provided by this  
12 paragraph shall cease to be effective on January 1, 2018.

13        SECTION 3. This act shall become effective July 1, 2017.

14        SECTION 4. It being immediately necessary for the preservation  
15 of the public peace, health or safety, an emergency is hereby  
16 declared to exist, by reason whereof this act shall take effect and  
17 be in full force from and after its passage and approval."

18  
19  
20  
21  
22  
23  
24

1 Passed the Senate the 25th day of April, 2017.

2  
3 \_\_\_\_\_  
4 Presiding Officer of the Senate

5 Passed the House of Representatives the \_\_\_\_ day of \_\_\_\_\_,  
6 2017.

7  
8 \_\_\_\_\_  
9 Presiding Officer of the House  
10 of Representatives



1 ENGROSSED HOUSE  
2 BILL NO. 2253

By: Brumbaugh of the House

3 and

4 Fields of the Senate  
5  
6

7 An Act relating to revenue and taxation; amending 68  
8 O.S. 2011, Sections 6001 and 6003, as amended by  
9 Section 1, Chapter 380, O.S.L. 2013 (68 O.S. Supp.  
10 2016, Section 6003), which relate to aircraft excise  
11 tax; modifying definition; modifying provisions  
12 related to certain exemption; providing an effective  
13 date; and declaring an emergency.

14 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

15 SECTION 5. AMENDATORY 68 O.S. 2011, Section 6001, is  
16 amended to read as follows:

17 Section 6001. As used in Section 6001 et seq. of this title:

18 1. "Aircraft" means and includes every self-propelled plane,  
19 airplane, helicopter, or balloon or sailplane manufactured by mass  
20 production or individually constructed or assembled, used, or  
21 designed for navigation or flight in the air or airspace, and  
22 subject to registration with the Federal Aviation Administration;

23 2. "Commercial airline" means an air carrier, foreign air  
24 carrier or intrastate air carrier, as defined by Section 40102 of  
Title 49 of the United States Code, 49 U.S.C., Section 40102, and

1 operating pursuant to Part 121 or 129 of Title 14 of the Code of  
2 Federal Regulations, 14 CFR, Part 121 or 129, or conducting  
3 scheduled or unscheduled services pursuant to Part 135 thereof,  
4 provided any such aircraft used to provide such services operates  
5 under Part 135 for at least fifty percent (50%) of its annual  
6 operations;

7 3. "Purchase price" means the total amount paid for the  
8 aircraft whether paid in money or otherwise. "Purchase price" is  
9 further defined as the fair market value when no current purchase is  
10 involved; and

11 4. "Use" means and includes the operation or basing of an  
12 aircraft on or from any airport in this state for a period of thirty  
13 (30) days or more. For purposes of Section 6001 et seq. of this  
14 title, the term "use" does not apply to aircraft which are intended  
15 for exclusive use in another state, but which are stored in this  
16 state pending shipment to such other state, or aircraft which are  
17 retained in this state solely for fabrication, repair, testing,  
18 alteration, modification, refurbishing or maintenance.

19 SECTION 6. AMENDATORY 68 O.S. 2011, Section 6003, as  
20 amended by Section 1, Chapter 380, O.S.L. 2013 (68 O.S. Supp. 2016,  
21 Section 6003), is amended to read as follows:

22 Section 6003. The following aircraft shall be exempt from  
23 provisions of Section 6001 et seq. of this title:

24

1       1. Aircraft manufactured under an F.A.A. approved certificate  
2 and which are owned and in the physical possession of the  
3 manufacturer of the aircraft. The aircraft shall have an aircraft  
4 exemption license as provided for in Section 254 of Title 3 of the  
5 Oklahoma Statutes;

6       2. Aircraft owned by dealers and in the dealer's inventory, not  
7 including aircraft that are used personally or for business. In  
8 order for this exemption to apply, the dealer shall be licensed in  
9 accordance with Section 254.1 of Title 3 of the Oklahoma Statutes;

10       3. Aircraft of the federal government, any agency thereof, any  
11 territory or possession, any state government, agency, or political  
12 subdivision thereof;

13       4. Aircraft transferred from one corporation or limited  
14 liability company to another corporation or limited liability  
15 company pursuant to reorganization of the corporation or limited  
16 liability company. For the purpose of this section the term  
17 reorganization means a statutory merger, consolidation, or  
18 acquisition;

19       5. Aircraft purchased or used by commercial airlines as defined  
20 by paragraph 2 of Section 6001 of this title, provided any such  
21 aircraft does not operate under Part 91 of Title 14 of the Code of  
22 Federal Regulations, 14 C.F.R., Part 91, for more than fifty percent  
23 (50%) of its annual operations;  
24

1           6. Aircraft transferred in connection with the dissolution or  
2 liquidation of a corporation or limited liability company and only  
3 if included in a payment in kind to the shareholders or members;

4           7. Aircraft transferred to a corporation for the purpose of  
5 organizing such corporation. However, the former owners of the  
6 aircraft must have control of the corporation in proportion to their  
7 interest in the aircraft prior to the transfer;

8           8. Aircraft transferred to a partnership or limited liability  
9 company when the organization of the partnership or limited  
10 liability company is by the former owners of the aircraft. However,  
11 the former owners of the aircraft must have control of the  
12 partnership in proportion to their interest in the aircraft prior to  
13 the transfer;

14           9. Aircraft transferred from a partnership or limited liability  
15 company to the members of the partnership or limited liability  
16 company and if made in payment in kind in the dissolution of the  
17 partnership;

18           10. Aircraft transferred or conveyed to a partner of a  
19 partnership or shareholder or member of a limited liability company  
20 or other person who after such sale owns a joint interest in the  
21 aircraft and on which the sales or use tax levied pursuant to the  
22 provisions of this title or the excise tax levied pursuant to the  
23 provisions of Section 6002 of this title have previously been paid  
24 on the aircraft;

1        11. Aircraft on which a tax levied pursuant to the provisions  
2 of the laws of another state, equal to or in excess of the excise  
3 tax levied by Section 6002 of this title, has been paid by the  
4 person using the aircraft in this state. Aircraft on which a tax  
5 levied pursuant to the laws of another state, in an amount less than  
6 the excise tax levied by Section 6002 of this title, has been paid  
7 by the person using the aircraft in this state shall be subject to  
8 the levy of the excise tax at a rate equal to the difference between  
9 the rate of tax levied by Section 6002 of this title and the rate of  
10 tax levied by the other state;

11        12. Aircraft when legal ownership of such aircraft is obtained  
12 by the applicant for a certificate of title by inheritance;

13        13. Aircraft when legal ownership of such aircraft is obtained  
14 by the lienholder or mortgagee under or by foreclosure of a lien or  
15 mortgage in the manner provided for by law;

16        14. Aircraft which is transferred between husband and wife or  
17 parent and child where no valuable consideration is given;

18        15. Aircraft which is purchased by a resident of this state and  
19 used exclusively in this state for agricultural spraying purposes;  
20 provided, if such aircraft is sold, leased or used outside this  
21 state or for a purpose other than agricultural spraying at any time  
22 within three (3) years from the date of purchase, the excise tax  
23 levied pursuant to the provisions of Section 6002 of this title  
24 shall be due and payable. For purposes of this subsection,

1 "agricultural spraying" means the aerial application of any  
2 substance sold and used for soil enrichment or soil corrective  
3 purposes or for promoting the growth and productivity of plants and  
4 animals;

5 16. Aircraft which have a selling price in excess of Two  
6 Million Five Hundred Thousand Dollars (\$2,500,000.00) and which are  
7 transferred to a purchaser who is not a resident of this state for  
8 immediate transfer out of state;

9 17. Aircraft which is transferred without consideration between  
10 an individual and an express trust which that individual or the  
11 spouse, child or parent of that individual has a right to revoke;  
12 and

13 18. Rotary-wing aircraft purchased to be used exclusively for  
14 the purpose of training U.S. military personnel or other training  
15 authorized by the U.S. Government. The exemption provided by this  
16 paragraph shall cease to be effective on January 1, 2018.

17 SECTION 7. This act shall become effective July 1, 2017.

18 SECTION 8. It being immediately necessary for the preservation  
19 of the public peace, health or safety, an emergency is hereby  
20 declared to exist, by reason whereof this act shall take effect and  
21 be in full force from and after its passage and approval.

22  
23  
24

1 Passed the House of Representatives the 7th day of March, 2017.

2  
3 \_\_\_\_\_  
4 Presiding Officer of the House  
of Representatives

5 Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 2017.

6  
7  
8 \_\_\_\_\_  
9 Presiding Officer of the Senate