

1 **SENATE FLOOR VERSION**

2 February 15, 2017

3 **AS AMENDED**

4 SENATE BILL NO. 74

5 By: Newhouse

6 [ aircraft excise tax - exemptions - effective date ]

7  
8 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

9 SECTION 1. AMENDATORY 68 O.S. 2011, Section 6003, as  
10 amended by Section 1, Chapter 380, O.S.L. 2013 (68 O.S. Supp. 2016,  
11 Section 6003), is amended to read as follows:

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

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

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

1           3. Aircraft of the federal government, any agency thereof, any  
2 territory or possession, any state government, agency, or political  
3 subdivision thereof;

4           4. Aircraft transferred from one corporation or limited  
5 liability company to another corporation or limited liability  
6 company pursuant to reorganization of the corporation or limited  
7 liability company. For the purpose of this section the term  
8 reorganization means a statutory merger, consolidation, or  
9 acquisition;

10          5. Aircraft purchased or used by commercial airlines as defined  
11 by paragraph 2 of Section 6001 of this title; provided, the  
12 exemption provided pursuant to this paragraph shall expire on July  
13 1, 2022, unless reauthorized by the Oklahoma Legislature;

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

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

21          8. Aircraft transferred to a partnership or limited liability  
22 company when the organization of the partnership or limited  
23 liability company is by the former owners of the aircraft. However,  
24 the former owners of the aircraft must have control of the

1 partnership in proportion to their interest in the aircraft prior to  
2 the transfer;

3 9. Aircraft transferred from a partnership or limited liability  
4 company to the members of the partnership or limited liability  
5 company and if made in payment in kind in the dissolution of the  
6 partnership;

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

14 11. Aircraft on which a tax levied pursuant to the provisions  
15 of the laws of another state, equal to or in excess of the excise  
16 tax levied by Section 6002 of this title, has been paid by the  
17 person using the aircraft in this state. Aircraft on which a tax  
18 levied pursuant to the laws of another state, in an amount less than  
19 the excise tax levied by Section 6002 of this title, has been paid  
20 by the person using the aircraft in this state shall be subject to  
21 the levy of the excise tax at a rate equal to the difference between  
22 the rate of tax levied by Section 6002 of this title and the rate of  
23 tax levied by the other state;

24

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

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

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

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

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

23       17. Aircraft which is transferred without consideration between  
24 an individual and an express trust which that individual or the

1 spouse, child or parent of that individual has a right to revoke;  
2 and

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

7 SECTION 2. This act shall become effective November 1, 2017.

8 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS  
9 February 15, 2017 - DO PASS AS AMENDED

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