

114TH CONGRESS
1ST SESSION

S. 2092

To amend the Internal Revenue Code of 1986 to exempt amounts paid for aircraft management services from the excise taxes imposed on transportation by air.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 29, 2015

Mr. BROWN (for himself and Mr. PORTMAN) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to exempt amounts paid for aircraft management services from the excise taxes imposed on transportation by air.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. AMOUNTS PAID FOR AIRCRAFT MANAGEMENT**
4 **SERVICES.**

5 (a) IN GENERAL.—Subsection (e) of section 4261 of
6 the Internal Revenue Code of 1986 is amended by adding
7 at the end the following new paragraph:

8 “(5) AMOUNTS PAID FOR AIRCRAFT MANAGE-
9 MENT SERVICES.—

1 “(A) IN GENERAL.—No tax shall be im-
2 posed by this section or section 4271 on any
3 amounts paid by an aircraft owner for aircraft
4 management services related to—

5 “(i) maintenance and support of the
6 aircraft owner’s aircraft; or

7 “(ii) flights on the aircraft owner’s
8 aircraft.

9 “(B) AIRCRAFT MANAGEMENT SERV-
10 ICES.—For purposes of subparagraph (A), the
11 term ‘aircraft management services’ includes
12 assisting an aircraft owner with administrative
13 and support services, such as scheduling, flight
14 planning, and weather forecasting; obtaining in-
15 surance; maintenance, storage and fueling of
16 aircraft; hiring, training, and provision of pilots
17 and crew; establishing and complying with safe-
18 ty standards; or such other services necessary
19 to support flights operated by an aircraft
20 owner.

21 “(C) LESSEE TREATED AS AIRCRAFT
22 OWNER.—

23 “(i) IN GENERAL.—For purposes of
24 this paragraph, the term ‘aircraft owner’

1 includes a person who leases the aircraft
2 other than under a disqualified lease.

3 “(ii) DISQUALIFIED LEASE.—For pur-
4 poses of clause (i), the term ‘disqualified
5 lease’ means a lease from a person pro-
6 viding aircraft management services with
7 respect to such aircraft (or a related per-
8 son (within the meaning of section
9 465(b)(3)(C)) to the person providing such
10 services), if such lease is for a term of 31
11 days or less.

12 “(D) PRO RATA ALLOCATION.—If any
13 amount paid to a person represents in part an
14 amount paid for services not described in sub-
15 paragraph (A), the tax imposed by subsection
16 (a), if applicable to such amount, shall be ap-
17 plied to such payment on a pro rata basis.”.

18 (b) EFFECTIVE DATE.—The amendment made by
19 this section shall apply to amounts paid beginning after
20 the date of the enactment of this Act.

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