A BILL FOR AN ACT

CONCERNING A STATE SALES AND USE TAX EXEMPTION FOR HISTORIC AIRCRAFT ON LOAN FOR PUBLIC DISPLAY.

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://leg.colorado.gov/.)

Beginning July 1, 2017, the bill creates a state sales and use tax exemption for a historic aircraft that is on loan for public display, demonstration, educational, or museum promotional purposes (public display) in the state if:

The historic aircraft is on loan for public display to a publicly owned or nonprofit museum in the state;
The historic aircraft will be used only for public display while within the state but away from the museum to which the historic aircraft is on loan; and

The museum to which the historic aircraft is on loan for public display is open to the public for at least 20 hours every week.

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

SECTION 1. Legislative declaration. The general assembly finds, determines, and declares that the primary purpose of the sales and use tax exemption in section 39-26-711.9 is to encourage the owners of historic aircraft to loan the historic aircraft to museums in the state for public display, demonstration, educational, or museum promotional purposes.

SECTION 2. In Colorado Revised Statutes, add 39-26-711.9 as follows:

39-26-711.9. Historic aircraft on loan for public display - definition. (1) Beginning July 1, 2017, a historic aircraft that is on loan for public display, demonstration, educational, or museum promotional purposes is exempt from taxation under the provisions of parts 1 and 2 of this article 26 if:

(a) The historic aircraft is on loan for public display, demonstration, educational, or museum promotional purposes to a publicly owned museum in the state or to a nonprofit museum in the state that operates under section 501 (c)(3) of the federal "INTERNAL REVENUE CODE OF 1986", as amended;

(b) The historic aircraft will be used only for public display, demonstration, educational, or museum promotional purposes while within the state but away from the museum to
WHICH THE HISTORIC AIRCRAFT IS ON LOAN; AND

(c) The museum to which the historic aircraft is on loan for public display, demonstration, educational, or museum promotional purposes is open to the public for at least twenty hours every week.

(2) For purposes of this section, "historic aircraft" means any original, restored, or replica of a heavier-than-air aircraft that is at least thirty-five years old.

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