

CHAPTER 375

TAXATION

HOUSE BILL 14-1374

BY REPRESENTATIVE(S) Holbert and Kraft-Tharp, Lee, Melton, Pettersen, Ryden, Saine, Schafer, Ferrandino;
also SENATOR(S) Hodge and Scheffel, Crowder, Herpin, Jahn, Kefalas, Todd.

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

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

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

39-26-711.8. Aircraft - use outside state - on-demand air carriers.

(1) NOTWITHSTANDING SECTION 39-26-711.5, ON AND AFTER JULY 1, 2014, BUT PRIOR TO JULY 1, 2019, THE SALE OF A NEW OR USED AIRCRAFT SHALL BE EXEMPT FROM TAXATION UNDER THE PROVISIONS OF PART 1 AND PART 2 OF THIS ARTICLE IF:

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

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

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

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

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

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

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

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

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

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.

Approved: June 6, 2014