

House Study Bill 131

Conference Committee Text

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1 1 Section 1. Section [422.42](#), Code 1995, is amended by adding
1 2 the following new subsection:
1 3 NEW SUBSECTION. 13A. Sales of aircraft repair and
1 4 replacement parts are retail sales in whatever quantity sold.
1 5 However, if the owner is also a retailer holding a retail
1 6 sales tax permit and transacting retail sales of aircraft
1 7 repair and replacement parts, the person shall purchase such
1 8 items of tangible personal property without liability for the
1 9 tax if the property will be subject to the tax at the time of
1 10 resale or at the time it is withdrawn from inventory for
1 11 repair or replacement purposes. The sales tax shall be due in
1 12 the reporting period when the repair and replacement parts are
1 13 withdrawn from inventory or sold at retail. This subsection
1 14 applies only to purchases and sales of aircraft repair and
1 15 replacement parts in counties with populations between
1 16 seventeen thousand and eighteen thousand.

1 17 EXPLANATION

1 18 This bill provides a sales tax exemption on aircraft repair
1 19 and replacement parts that are maintained for inventory
1 20 purposes. The exemption is only applicable to purchases and
1 21 sales of aircraft repair and replacement parts in counties
1 22 with populations between 17,000 and 18,000 persons.

1 23 LSB 1514YC 76

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