



Senate Finance Committee

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BILL SUMMARY

Legislation: Senate Bill 1552, P.N. 2256
Sponsor: Senator Argall
Act Amended: The Tax Reform Code of 1971
Topic: Sales and Use Tax
Date: June 15, 2012

Synopsis:

Senate Bill 1552 amends the Tax Code to add new exclusions from Sales and Use Tax for aircraft parts and fixed wing aircraft.

Summary:

The legislation excludes the following from the Sales and Use Tax:

1. the sale at retail or use of aircraft parts, including the maintenance and installation of such parts, exclusively in repair, maintenance or rebuilding of aircraft or in overhauling aircraft components; and
2. the sale at retail or use of fixed-wing aircraft, new or used.

The legislation defines the term "aircraft" as fixed-wing aircraft, powered aircraft, tilt-rotor or tilt-wing aircraft and glider or unmanned aircraft for purposes of the first exclusion above.

The legislation is effective date in 90 days.

Similar legislation, HB 1100, passed the House of Representatives (179-19) on May 22, 2012.

Current law:

Under Section 204 of the Tax Code there is currently no exclusion for fixed-wing aircrafts or for aircraft parts, including maintenance and installation of such parts.

Current law does provide a Sales and Use Tax exclusion for helicopter sales, parts, maintenance and repair.