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**HOUSE BILL NO. 1608**

Offered January 11, 1995

A BILL to amend and reenact §§ 58.1-1501 and 58.1-1505 of the Code of Virginia, relating to aircraft sales and use tax.

Patrons—Parrish and Hargrove

Referred to Committee on Finance

**Be it enacted by the General Assembly of Virginia:**

**1. That §§ 58.1-1501 and 58.1-1505 of the Code of Virginia are amended and reenacted as follows:**

**§ 58.1-1501. Definitions.**

As used in this chapter, unless the context clearly shows otherwise, the term or phrase:

"Aircraft" means any contrivance used or designed for untethered navigation or flight in the air by one or more persons at an altitude greater than twenty-four inches above the ground. Such term shall not include parachutes.

"Dealer" means any person owning five or more aircraft during the calendar year who the Commissioner finds is in the regular business of selling aircraft.

"Gross receipts" means the charges made or voluntary contributions received for the hourly rental and maintenance of an aircraft, all other charges for the use of an aircraft and, unless separately stated on the invoice, all charges for services of pilots or instructors in such aircraft. The term shall also include any amount by which the price estimated under § 58.1-1503 exceeds the charge actually made.

"Retail sale" means a sale to a consumer or to any person for any purpose other than for resale. The term shall include any transaction the Commissioner, upon investigation, finds to be in lieu of a sale. Sales for resale must be made in strict compliance with any rules and regulations promulgated pursuant to this chapter.

"Sale" means any transfer of ownership or possession of an aircraft by exchange or barter, lease or rental, conditional or otherwise, in any manner or by any means whatsoever. The term shall also include a transaction whereby possession is transferred but title is retained by the seller as security. The term shall not include a transfer of ownership or possession (i) made to secure payment of an obligation, or (ii) incidental to repossession under a lien and under which ownership is transferred to the reposessor, his nominee or a trustee, pending ultimate disposition or sale of the collateral, or (iii) as part of the sale of all or substantially all the assets of any business.

"Sale price" means the total price paid for an aircraft and all attachments thereon and accessories thereto, exclusive of any federal manufacturer's excise tax, without any allowance or deduction for trade-ins or unpaid liens or encumbrances.

"Scheduled air service" means service provided by a single air carrier consisting of regularly scheduled flights to one or more Virginia airports at least five days per week an air carrier operating under Federal Aviation Regulation Part 121 or Part 135 if operating with an exemption from Title IV of the Federal Aviation Act, Subtitle VII of Title 49, United States Code.

**§ 58.1-1505. Exemptions.**

Any aircraft sold to or used by the United States or any of the governmental agencies thereof, the Commonwealth of Virginia or any political subdivision thereof, or any ~~airline~~ air carrier operating in intrastate, interstate or foreign commerce as a ~~common~~ carrier providing scheduled air service on a continuing basis to one or more Virginia airports shall be exempt from the tax imposed by this chapter.

INTRODUCED

HB1608