

**SUBJECT:** Removing travel limitation for certain aircrafts exempt from sales tax

**COMMITTEE:** Ways and Means — committee substitute recommended

**VOTE:** 11 ayes — Burrows, Guillen, Bohac, Cole, Martinez Fischer, Murphy, Noble, E. Rodriguez, Sanford, Shaheen, Wray

0 nays

**SENATE VOTE:** On final passage, April 10 — 30-0

**WITNESSES:** For — None

Against — (*Registered, but did not testify*: Michael Openshaw)

**BACKGROUND:** Tax Code sec. 151.328 exempts aircrafts from sales and use taxes under certain circumstances, including if the aircraft is sold in this state to a person for use exclusively in connection with an agricultural use.

Under sec. 151.328(h), an aircraft is considered to be for use exclusively in connection with an agricultural use if 95 percent of its use is for predator control; wildlife or livestock capture or surveys, or census counts; animal or plant health inspection; or crop dusting, pollination, or seeding. Travel of up to 30 miles each way to a location to perform those services does not disqualify an aircraft from tax exemption.

Some have suggested removing the restriction on distance traveled for certain agricultural services to qualify an aircraft for a tax exemption.

**DIGEST:** CSSB 1214 would remove the 30 mile limitation for travel of an aircraft to and from a location for certain agricultural purposes to qualify for a sales and use tax exemption.

The bill would take effect September 1, 2019, and would not affect tax liability accruing before that date.