

Chapter 638

(Senate Bill 121)

AN ACT concerning

Sales and Use Tax – Aircraft Parts and Equipment – Exemption

FOR the purpose of providing an exemption from the sales and use tax for certain materials, parts, and equipment used to repair, maintain, or upgrade aircraft or certain aircraft systems under certain circumstances; requiring the Comptroller to report to the General Assembly on or before a certain date each year; providing for the termination of this Act; and generally relating to a sales and use tax exemption for aircraft equipment.

BY adding to

Article – Tax – General

Section 11–236

Annotated Code of Maryland

(2016 Replacement Volume and 2019 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – Tax – General

11–236.

(A) THE SALES AND USE TAX DOES NOT APPLY TO THE SALE OF MATERIALS, PARTS, OR EQUIPMENT USED TO REPAIR, MAINTAIN, OR UPGRADE AIRCRAFT OR THE AVIONICS SYSTEMS OF AIRCRAFT IF THE MATERIALS, PARTS, OR EQUIPMENT ARE INSTALLED ON AN AIRCRAFT THAT:

(1) HAS A MAXIMUM GROSS TAKEOFF WEIGHT OF LESS THAN 12,500 POUNDS; OR

(2) (I) HAS A MAXIMUM GROSS TAKEOFF WEIGHT OF 12,500 POUNDS OR MORE; AND

(II) IS PRIMARILY USED IN INTERSTATE OR FOREIGN COMMERCE.

(B) ON OR BEFORE DECEMBER 31 EACH YEAR, THE COMPTROLLER SHALL REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2–1257 OF THE STATE GOVERNMENT ARTICLE, ON:

(1) THE AMOUNT OF SALES AND USE TAX REVENUE LOST FROM THE EXEMPTION UNDER THIS SECTION; AND

(2) ANY CHANGE TO THE NUMBER OF AVIATION TECHNICIANS EMPLOYED IN THE STATE AS A RESULT OF THE EXEMPTION UNDER THIS SECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2020. It shall remain effective for a period of 5 years and, at the end of June 30, 2025, this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 8, 2020.