

STATEMENT OF PURPOSE

RS24164C1

The purpose of this act is to continue the creation of good paying jobs at Idaho aviation-related businesses by eliminating the June 30, 2016 expiration of the 1988 sales tax exemption on aircraft used to provide passenger or freight service, which incentivized the location of commercial aircraft repair and maintenance in Idaho.

Passage of this act will also protect and continue the good paying jobs created when the statute was amended in 2012 to eliminate the disadvantage Idaho businesses have competing with similar businesses located in states that do not impose taxes on parts installed on private aircraft owned by non-residents.

The 2012 amendment to 63-3622GG made the taxation of parts installed on private aircraft owned by non-residents consistent with the taxation of parts installed as components of aircraft manufactured in Idaho and sold to non-residents as well as parts installed on aircraft in commercial use by Idaho businesses.

FISCAL NOTE

Eliminating the Sunset of 63-3622GG makes no changes in the imposition of the sales & use tax the past five years, and does not change the taxation of parts purchased by or installed on aircraft owned by Idaho residents. There will be no reduction in general account receipts as a result of eliminating the June 30, 2016 sunset of 63-3622GG. However, failure to eliminate the sunset will result in the loss of jobs in Idaho's growing aviation industry as well as capital investments by that industry.

Contact:

Representative Mike Moyle
(208) 332-1000