

Bill Summary
1st Session of the 57th Legislature

Bill No.:	SB 397
Version:	INT
Request No.:	1138
Author:	Sen. Daniels
Date:	01/17/2019

Bill Analysis

SB 397 modifies the aircraft excise tax exemption for commercial aircraft. The measure removes the requirement for aircraft designated as “commercial” to maintain at least 50% of its operations pursuant to Title 14 of the Code of Federal Regulations part 135. The measure also removes the requirement for a commercial aircraft owner to provide a report to the Oklahoma Tax Commission on an annual basis detailing the operations of the aircraft.

Prepared by: Kalen Taylor

OKLAHOMA TAX COMMISSION

**REVENUE IMPACT STATEMENT AND/OR ADMINISTRATIVE IMPACT STATEMENT
FIRST REGULAR SESSION, FIFTY-SEVENTH OKLAHOMA LEGISLATURE**

DATE OF IMPACT STATEMENT: 2/7/2019

BILL NUMBER: SB 397 **STATUS AND DATE OF BILL:** Introduced 1/16/2019

AUTHORS: House n/a Senate Daniels

TAX TYPE (S): Aircraft **SUBJECT:** Exemption

PROPOSAL: Amendatory

SB 397 amends 68 O.S. §6001(2) and 68 O.S. §6003(5) by proposing to eliminate the language added in HB 2253 during the 2018 Legislative Session. This language requires charter aircraft to be used in that capacity for at least 50% of its annual operation and such operations may not include those chartered by the aircraft owner as an individual or as a business entity in which the aircraft owner owns a majority interest to fall within the definition of commercial airline for purposes of the aircraft excise tax exemption in 68 O.S. §6003(5). Additionally, this modification will remove language requiring aircraft to operate under Part 91 of Title 14 of the Code of Federal Regulations, 14 CFR, part 91, for less than fifty percent of its annual operations in order to qualify for this exemption. The estimated revenue for this measure is unknown because the data regarding who is denied this exemption for not meeting these requirements is not captured.

EFFECTIVE DATE: Upon passage and approval

REVENUE IMPACT:

Insert dollar amount (plus or minus) of the expected change in state revenues due to this proposed legislation.

FY 20: Unknown

FY 21: Unknown

Feb. 8, 2019
DATE

Rick Miller
DIVISION DIRECTOR

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2-8-2019
DATE

Huan Gong
HUAN GONG, ECONOMIST

2-8-19
DATE

Jerry Whit
FOR THE COMMISSION

The estimated revenue impact provided herein is an estimate of the potential impact on the collection or apportionment of tax revenues affected by the proposed legislation. It is not intended to be an estimate of the overall fiscal impact on the state budget if the proposed legislation is enacted.