

SB 377 with HCA 1, HCA 2, HCA 1 TO HCA 3, HCA 3 AS AMENDED -- SALES AND USE TAX EXEMPTION FOR AIRCRAFT SOLD TO NONRESIDENTS

SPONSOR: Schatz

COMMITTEE ACTION: Voted "Do Pass with Amendments" by the Standing Committee on Ways and Means by a vote of 5 to 4.

This bill authorizes a state and local sales and use tax exemption for an aircraft sold to a nonresident of Missouri. To be eligible for the exemption, the aircraft cannot be based in the state and must be removed from the state within 10 days of the later of transfer of title or a return to service associated with a transfer of title.

HCA 1: Adds the provisions of HB 440 and limits the total local business license tax on hotels and motels to 1/8 of 1% of their gross revenue

HCA 2: Adds the provisions of HB 461

HCA 3: Adds the provisions of HB 410

PROPOSERS: Supporters say that this bill authorizes a fly away exemption that will allow more commercial activity in Missouri and level the playing field with other states by removing the competitive barrier. This bill does not apply to Missouri residents or Missouri corporations. It will allow Missouri businesses to compete for work that is actively avoiding Missouri due to the imposition of sales tax. The work is going to neighboring states that currently have the fly-away exemption such as Illinois, Wisconsin, Minnesota, Kansas, Oklahoma, and Texas.

Testifying for the bill were Senator Schatz; Missouri Hotel And Lodging Association; and Richard Vollmar, AVMATS.

OPPOSERS: There was no opposition voiced to the committee.