



# Senate Finance Committee

Senator Patrick M. Browne  
*Chairman*

459 Main Capitol Building  
Harrisburg, PA 17120-3016  
(717) 787-1349

Stacey M. Connors, Esq.  
*Executive Director*  
sconnors@pasen.gov

## BILL SUMMARY

### SENATE BILL 1231, PN 1670 (SENATOR MADIGAN)

#### *Summary:*

Senate Bill 1231 amends the Tax Reform Code of 1971, providing a sales and use tax exemption for aviation and aviation services within the Commonwealth.

Specifically, the legislation provides for an exclusion from tax for: the sale at retail of repair or replacement parts, including the installation of those parts, exclusively for use in aircraft or in overhauling or rebuilding of aircraft or aircraft components; and the sale or lease at retail of aircraft.

#### *Current Law:*

Current law requires aviation purchases and repairs to be subject to the sales tax.

#### *Effective date:*

This act shall take effect immediately.

#### Amendment A08934 (Browne):

- Inserts the term “or use” to clarify that the tax exemption applies to: the sale at retail or use of repair or replacement parts, including the installation of those parts, exclusively for use in aircraft or in overhauling or rebuilding of aircraft or aircraft components; and the sale or lease at retail or use of aircraft.
- Defines “aircraft” as the term is defined in §201(c)(7), as fixed wing aircraft, helicopter, powered aircraft, tilt-rotor or tilt-wing aircraft, glider or unmanned aircraft.
- Changes the effective date of the legislation to July 1, 2009

#### Amendment A09055 (Browne):

- The Small Brewers’ tax credit expires December 31, 2008. A09055 removes two lines which would thereby extend the credit beyond December 31, 2008:
  - Removes the “effective period” of the tax credit, the period from January 1, 1974 to December 31, 2008, inclusive.
  - Removes the prohibition that no credit shall be allowed against any tax due for any taxable period ending after December 31, 2008.