

1 State of Arkansas  
2 95th General Assembly  
3 Regular Session, 2025  
4

As Engrossed: H4/7/25

## A Bill

HOUSE BILL 1807

5 By: Representatives Eaves, A. Collins, M. Brown, Magie, Lundstrum  
6 By: Senators J. Payton, D. Wallace  
7

### For An Act To Be Entitled

9 AN ACT TO AMEND THE SALES TAX EXEMPTION FOR AIRCRAFT  
10 HELD FOR RESALE AND USED FOR RENTAL OR CHARTER; TO  
11 CLARIFY THE PERSONS ELIGIBLE FOR THE SALES TAX  
12 EXEMPTION FOR AIRCRAFT HELD FOR RESALE AND USED FOR  
13 RENTAL OR CHARTER; AND FOR OTHER PURPOSES.  
14  
15

### Subtitle

16 TO AMEND THE SALES TAX EXEMPTION FOR  
17 AIRCRAFT HELD FOR RESALE AND USED FOR  
18 RENTAL OR CHARTER; AND TO CLARIFY THE  
19 PERSONS ELIGIBLE FOR THE SALES TAX  
20 EXEMPTION FOR AIRCRAFT HELD FOR RESALE  
21 AND USED FOR RENTAL OR CHARTER.  
22  
23

24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
25

26 SECTION 1. Arkansas Code § 26-52-409(a), concerning the sales tax  
27 exemption for aircraft held for resale and used for rental or charter, is  
28 amended to read as follows:

29 (a)(1) Any person, whether an established business or an individual,  
30 that is engaged in the business of selling aircraft in this state, ~~and~~  
31 ~~holding~~ holds a retail sales tax permit, and holds aircraft in stock for  
32 resale may purchase aircraft exempt for resale and use the aircraft for  
33 rental or charter service without payment of sales or use tax for a period of  
34 not to exceed one (1) year from the date of purchase of the aircraft.

35 (2) In the case of aircraft purchased for resale which require  
36 substantial modification or substantial refurbishing prior to resale, the



1 purchaser may use the aircraft for rental or charter service without payment  
2 of sales or use tax for a period of not to exceed two (2) years from the date  
3 of purchase of the aircraft.

4 (3) As used in this subsection, "business of selling aircraft"  
5 means the purchase of aircraft for stock in trade and the management of  
6 aircraft inventory for the primary purpose of generating a profit from the  
7 resale of aircraft to customers.

8  
9 SECTION 2. Arkansas Code § 26-52-409, concerning the sales tax  
10 exemption for aircraft held for resale and used for rental or charter, is  
11 amended to add additional subsections to read as follows:

12 (e)(1) A transaction in which a person acquires an aircraft for the  
13 purpose of renting or leasing the aircraft in the ordinary course of the  
14 person's business is exempt under this section only if the person establishes  
15 that the annual amount of the gross revenue derived from renting or leasing  
16 the aircraft, including any revenue from related party transactions, is equal  
17 to at least seven and five-tenths percent (7.5%) of the net acquisition price  
18 for the aircraft, including the value of any trade or exchange and excluding  
19 any sales commission paid to a third party.

20 (2) The Department of Finance and Administration shall  
21 promulgate rules to prescribe the method of establishing the annual amount of  
22 gross lease revenue derived from renting or leasing an aircraft under this  
23 subsection.

24 (f) The exemption allowed under this section applies regardless of the  
25 relationship, if any, between the person providing the aircraft for rent or  
26 lease and the person renting or leasing the aircraft.

27  
28 SECTION 3. EFFECTIVE DATE. Sections 1 and 2 of this act are effective  
29 on the first day of the calendar quarter following the effective date of this  
30 act.

31  
32 /s/Eaves

33  
34  
35 **APPROVED: 4/17/25**