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2009-2010 Regular Sessions

I N S E N A T E

January 12, 2009

Introduced by Sens. LARKIN, ALESI, BONACIC, FLANAGAN, O. JOHNSON, LEIBELL, LITTLE, NOZZOLIO, VOLKER -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations

AN ACT to amend the tax law, in relation to providing an exemption from sales and compensating use taxes for certain aircraft purchased in the state; and to amend chapter 60 of the laws of 2004, amending the tax law relating to exempting parts used exclusively to maintain, repair, overhaul or rebuild aircraft or services associated therewith from the sales and compensating use tax, in relation to eliminating the expiration of the provisions thereof

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. Paragraph 1 of subdivision (dd) of section 1115 of the tax
2 law, as added by section 1 of part L of chapter 60 of the laws of 2004,
3 is amended to read as follows:
4 (1) Services otherwise taxable under paragraph three of subdivision
5 (c) of section eleven hundred five or under section eleven hundred ten
6 of this article, SALES OF GENERAL AVIATION AIRCRAFT, and tangible
7 personal property purchased and used by the person who sells such
8 services in performing such services, where such property becomes a
9 physical component part of the property upon which the services are
10 performed or where such property is a lubricant applied to aircraft,
11 shall be exempt from tax under this article where such services are
12 performed on aircraft.
13 S 2. Section 2 of part L of chapter 60 of the laws of 2004, amending
14 the tax law relating to exempting parts used exclusively to maintain,
15 repair, overhaul or rebuild aircraft or services associated therewith
16 from the sales and compensating use tax, is amended to read as follows:
17 S 2. This act shall take effect December 1, 2004, and shall apply to
18 sales made, services rendered and uses occurring on or after that date

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets
[] is old law to be omitted.

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1 in accordance with the applicable transitional provisions of sections
2 1106 and 1217 of the tax law[, and shall expire and be deemed repealed
3 December 1, 2009]; the commissioner of taxation and finance shall be
4 immediately authorized to adopt and amend any rules or regulations and
5 issue any procedure, forms or instructions necessary to implement this
6 act on its effective date; furthermore, the commissioner of taxation and
7 finance, in conjunction with the commissioner of transportation, shall
8 review and analyze all statistical data available for such purposes of
9 determining the economic and revenue impact of the sales and use tax
10 exemptions provided in this act; such report shall include, but not be
11 limited to, any increases in aviation related employment, airplane main-
12 tenance, and increases in hangaring in New York state; such report shall
13 be transmitted, ON OR BEFORE DECEMBER 1, 2010, to the governor, TEMPO-
14 RARY PRESIDENT OF THE senate [majority leader] and speaker of the assem-
15 bly.

16 S 3. This act shall take effect immediately, except that section one
17 of this act shall take effect on the first of December next succeeding
18 the date on which it shall have become a law, and shall apply to sales
19 made, services rendered and uses occurring on or after such date in
20 accordance with the applicable transitional provisions of sections 1106
21 and 1217 of the tax law; provided, however, that the commissioner of
22 taxation and finance shall be immediately authorized to adopt and amend
23 any rules or regulations and issue any procedure, forms or instructions
24 necessary to implement section one of this act on its effective date.