

1 S.246

2 Introduced by Senator Collamore

3 Referred to Committee on

4 Date:

5 Subject: Taxation; sales and use tax; exemptions; aircraft

6 Statement of purpose of bill as introduced: This bill proposes to add
7 noncommercial aircraft to the sales and use tax exemption for commercial
8 aircraft and to create a business personal property tax for noncommercial
9 aircraft. The bill further proposes to study the feasibility of sharing certain
10 revenues with Vermont airports.

11 An act relating to tax exemptions for noncommercial aircraft and revenue
12 sharing with airports

13 It is hereby enacted by the General Assembly of the State of Vermont:

14 Sec. 1. 32 V.S.A. § 9741 is amended to read:

15 § 9741. SALES NOT COVERED

16 Retail sales and use of the following shall be exempt from the tax on retail
17 sales imposed under section 9771 of this title and the use tax imposed under
18 section 9773 of this title:

19 * * *

(B) parts, machinery, and equipment to be installed in ~~any~~ aircraft, other than drones.

Sec. 2. 32 V.S.A. § 3622 is added to read:

Aircraft, as defined in 5 V.S.A. § 202(6), shall be valued and taxed in accordance with this chapter, except that aircraft that is not used primarily for commercial operations involving the transport of passengers or freight shall be exempt from property taxation.

(a) The Commissioner of Taxes, in consultation with the Agency of Transportation, shall study the feasibility of sharing revenue generated through air commerce with Vermont airports.

(1) the Department's capacity to identify and share sales and use tax
revenue related to transactions originating from airports and air commerce;

1 (2) the Department's capacity to identify and share property tax revenue
2 generated from the real and personal property of airports and businesses
3 operating at airports;

4 (3) the State's ability to create and administer dedicated funds for
5 specific airports, to be funded through revenue sharing;

6 (4) estimates of sales and use and property tax revenue currently
7 generated through airports; and

8 (5) the State of Vermont's compliance with 49 U.S.C. § 47133.

9 (c) On or before December 15, 2026, the Commissioner of Taxes shall
10 submit a study report detailing the Commissioner's findings under this section
11 to the House Committees on Transportation and on Ways and Means and the
12 Senate Committees on Transportation and on Finance.

13 Sec. 4. EFFECTIVE DATE

14 This act shall take effect on July 1, 2026.