

Illinois Aviation Trades Association 2011 Legislative Initiative

Historical Perspective: In 2009, the Illinois General Assembly passed legislation SB450 (PA 096-0759) which amended the Illinois Use Tax Act, providing for sales tax exemption on materials, parts, equipment, components, and furnishings incorporated into or upon an aircraft for the modification, refurbishment, completion, replacement, repair, or maintenance of the aircraft are exempt from taxation under the Acts. This exemption was limited to only to those organizations that (i) hold an Air Agency Certificate and are empowered to operate an approved repair station by the Federal Aviation Administration, or (ii) have a Class IV Rating and excluded materials, parts, equipment, components, and consumable supplies used in the modification, replacement, repair, and maintenance of aircraft engines or power plants, whether such engines or power plants are installed or uninstalled upon any such aircraft.

IATA Synopsis: With the start up the 97th General Assembly, IATA has approached Senator James F. Clayborne (D-57) regarding sponsoring our bill. Senator Clayborne was the original sponsor for SB450. It is the position of IATA that the original bill did not go far enough by not exempting engine related worksopes and expanding who can perform the work.

Legislative Initiative: IATA is proposing to expand this sale tax exemption by amending the existing law to include engine related worksopes performed by perform aircraft maintenance under an FAA valid Aircraft & Powerplant license or an FAA accredited Inspection Authorization.

Specifically, the amendatory language to PA 96-0759 would read as follows:

Beginning January 1, 2010, materials, parts, equipment, components, and furnishings incorporated into or upon an aircraft as part of the modification, refurbishment, completion, replacement, repair, or maintenance of the aircraft. This exemption includes consumable supplies used in the modification, refurbishment, completion, replacement, SB0450 Enrolled LRB096 06568 RCE 16652 b Public Act 096-0759 repair, and maintenance of aircraft, ~~but excludes any materials, parts, equipment, components, and consumable supplies used in the modification, replacement, repair, and maintenance of aircraft engines or power plants, whether such engines or power plants are installed or uninstalled upon any such aircraft.~~ "Consumable supplies" include, but are not limited to, adhesive, tape, sandpaper, general purpose lubricants, cleaning solution, latex gloves, and protective films. This exemption applies only to those organizations that (i) hold an Air Agency Certificate and are empowered to operate an approved repair station by the Federal Aviation Administration, or (ii) have a Class IV Rating, or (iii) perform aircraft maintenance under an FAA valid Aircraft & Powerplant license or an FAA accredited Inspection Authorization. ~~and (iii) conduct operations in accordance with Part 145 of the Federal Aviation Regulations.~~ The exemption does not include aircraft operated by a commercial air carrier providing scheduled passenger air service pursuant to authority issued under Part 121 or Part 129 of the Federal Aviation Regulations.

To accomplish this goal, IATA needs the assistance of a skilled lobbyist to represent our members' interests. **To that end, IATA is looking to raise \$10,000.00 through voluntary contributions from the industry.** Time is of the essence! The **deadline** to introduce this legislation in the Senate is February 10th. Without the necessary financial commitment, it will be nearly impossible to work this legislation to a positive outcome. Please consider making a contribution to the IATA legislative fund. **Thank You. For more information, call IATA: 217-528-5230.**