

## STATE TAX LEGISLATIVE UPDATES

2022-2023-2024-2025

In the last few years, the state's legislative activity has been active. Staying on top of these measures can be challenging, as many state legislatures are only in session for a short period of time, therefore changes can occur quickly. Now is a good time to not only look at 2025 but also the last 3 years and see what key statutory changes were signed off by Governors and, more importantly, see how these bills may affect your ownership and/or operations. If you have any questions, you can send me an email to [nel@stubbsaviationadvisors.com](mailto:nel@stubbsaviationadvisors.com) or call (602) 791-3824.

### 2022

- **ARIZONA**
  - Effective before the 2023 registration cycle – Balloon owners no longer required to pay registration fees. Decals are no longer required on aircraft.
  - Effective during the 2023 registration cycle – Registration deadlines staggered throughout the year instead of all occurring in February.
- **INDIANA**
  - Effective 7/1/2022 - Clarifies when a taxpayer is required to pay tax when the aircraft is sold within 13 years of its purchase.
- **IOWA**
  - Effective 7/1/2022 – Aircraft maintenance exemption expanded to include all aircraft.
- **NEW MEXICO**
  - Effective 7/1/2022 - Reduction of Sales/Use tax from 5.125% to 5%. Effective 7/1/2023 - Reduction of Sales/Use tax from 5% to 4.875%.
- **OKLAHOMA**
  - Effective 7/1/2022 – From this date forward and all subsequent fiscal years, 100% of the revenues derived pursuant to the provisions of Sections 6001 through 6007 of this title shall be credited to the Oklahoma Aeronautics Commission.
- **OREGON**
  - Effective 1/1/2022 – Sunset date removed for fuel tax increase.
- **PENNSYLVANIA**
  - Effective 7/8/2022 – Sales/Use tax exemption for flight simulators and software purchased & installed on rotor-wing and similar aircraft.
- **VIRGINIA**
  - Effective 7/1/2022 – Maintenance exemption sunset date extended to July 1, 2025.

### 2023

- **IDAHO**
  - Effective 1/1/23 - Amend existing law to revise the provision regarding application of use taxes to articles acquired more than 90 days prior.
- **ILLINOIS**
  - Effective 6/7/2023 – Extended the maintenance exemption to 12/31/29.
- **MISSISSIPPI**
  - Effective 7/1/2023 – Exempt from Sales Tax sales of tangible personal property by manufacturer or custom processor if such property is shipped, transported, or exported from this state and first used in another state.
- **WASHINGTON**

- Effective 7/23/2023 - Retail sales tax exemptions for certain aircraft maintenance and repair.

## 2024

- **ILLINOIS**
  - Effective 9/1/2024 - Makes changes concerning the exemption for materials, parts, equipment, components, and furnishings incorporated into or upon an aircraft.
- **MARYLAND**
  - Effective 7/1/24 - Extending the termination date of a sales tax exemption for certain materials, parts, and equipment used to repair, maintain, or upgrade aircraft, from 6/30/25 to 6/30/2030.
- **MISSISSIPPI**
  - Effective 4/25/24 – Exempt sales, leases, or other retail transfers of fixed-wing aircraft to, or to be used by, certified common carriers in the transport of persons or property in interstate, intrastate, or foreign commerce, and engines, accessories, and spare parts for such fixed-wing aircraft.
- **UTAH**
  - Effective 1/1/2025 - Modified provisions related to property tax assessments for aircraft.

## 2025

- **ARKANSAS**
  - Effective 7/1/2025 – Amends the sales tax exemption of aircraft held for resale and used for rental or charter.
- **LOUISIANA**
  - Effective 1/1/26 – Tax exemption; certain aircraft. No personal property tax shall be imposed on any aircraft with an operating empty-weight of less than seven thousand pounds that is owned by a private individual or limited liability company and used in 14 CFR Part 91 operation.
  - Effective 7/31/25 – Any aviation maintenance technician who is certified 17 by the Federal Aviation Administration shall be authorized and permitted to enter 18 into a public airport facility to provide assessment, inspection, or consultation, which 19 may include preventative maintenance or minor repair work only if such work is 20 expressly authorized in advance by the airport.
- **VIRGINIA**
  - Effective 7/1/25 – Increases registration fees to \$30 and created multiyear registrations for aircraft for a period not to exceed three (3) years.
  - Effective 7/1/25 – Extends the sunset date to July 1, 2030, for the sales & use tax exemption for parts, engines, and supplies used for maintaining, repairing, or reconditioning aircraft or any aircraft's avionics system, engine, or component parts.
- **WASHINGTON**
  - Effective 4/26/26
    - New Section 217(3) imposes a 10% Luxury Tax on non-commercial aircraft with a purchase price of greater than \$500,000.

If there are any questions or if you are looking for more details, please feel free to contact Nel Stubbs at [nel@stubbsaviationadvisors.com](mailto:nel@stubbsaviationadvisors.com).