OHIO LEGISLATIVE SERVICE COMMISSION

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Office of Research and Drafting

Legislative Budget Office

H.B. 977
136th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsor: Rep. Willis

Andrew Little, Attorney

SUMMARY

- Exempts certain sales of aircraft to nonresidents from sales tax.

DETAILED ANALYSIS

Sales tax exemption for aircraft

The bill exempts sales of certain aircraft to nonresident buyers from sales tax. To qualify for the exemption, the aircraft cannot be registered or based in Ohio after the sale, and must be removed from Ohio no more than 30 days after the later of either:

- The date on the conveyance for the aircraft that is filed with the Federal Aviation Administration Civil Aviation Registry;
- The date the aircraft receives its maintenance record return to service approval entry after completion of maintenance, repair, or overhaul work performed on or immediately after the date of the sale and delivery of the aircraft.[1]

The exemption applies to any qualifying sale completed on or after the first day of the first month that begins after the bill's 90-day effective date.[2]

Existing exemptions related to aircraft

Continuing law offers several sales tax exemptions or reductions related to aircraft. The bill does not affect any of these existing exemptions. They include all of the following:

[1] R.C. 5739.02(B)(65).

[2] Section 3.

1. An exemption for the sale of materials, parts, and equipment used in the repair or maintenance of aircraft of avionics systems, and of maintenance and repair services;
2. An $800 tax cap on the sale of shares of a qualified fractionally owned aircraft, i.e., an aircraft provided through a program through which individuals can purchase fractional ownership shares of an aircraft;
3. An exemption for the sale of goods and services for the maintenance and repair of qualified fractionally owned aircraft.[3]

HISTORY

Action	Date
Introduced	07-16-26

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[3] R.C. 5739.02(B)(44) and (49) and R.C. 5739.025(C), not in the bill.