

TAX CODE

TITLE 2. STATE TAXATION

SUBTITLE E. SALES, EXCISE, AND USE TAXES

CHAPTER 163. SALES AND USE TAXATION OF AIRCRAFT

Sec. 163.001. CERTIFICATED OR LICENSED CARRIERS. (a) For purposes of Chapter 151, "certificated or licensed carrier" means a person authorized by the Federal Aviation Administration to operate an aircraft to transport persons or property in compliance with the certification and operations specifications requirements of 14 C.F.R. Part 121, 125, 133, or 135.

(b) Section 151.328(a)(1) applies with respect to a certificated carrier's acquisition of an aircraft, without regard to whether the certificated carrier acquired the aircraft by purchase, lease, or rental.

Added by Acts 2015, 84th Leg., R.S., Ch. 631 (S.B. 1396), Sec. 1, eff. September 1, 2015.

Sec. 163.002. RESALE OF AIRCRAFT. (a) For purposes of Section 151.006, "sale for resale" includes the sale of an aircraft to a purchaser who acquires the aircraft for the purpose of leasing, renting, or reselling the aircraft to another person in the United States of America or a possession or territory of the United States of America or in the United Mexican States in the form or condition in which it is acquired.

(b) The leasing or renting of an aircraft under Subsection (a) includes the transfer of operational control of the aircraft from a lessor to one or more lessees pursuant to one or more written agreements in exchange for consideration, regardless of whether the consideration is in the form of a cash payment and regardless of whether the consideration is fixed, variable, or periodic. For purposes of this subsection, "operational control" has the meaning assigned by the Federal Aviation Regulations and includes the exercise of authority over initiating, conducting, or terminating a flight.

(c) Subsection (a) applies to a purchase of an aircraft regardless of whether the purchaser, in addition to leasing,

renting, or reselling the aircraft to another person, also uses the aircraft if, for a period of one year beginning on the date the purchaser purchases the aircraft, more than 50 percent of the aircraft's departures are made under the operational control of one or more lessees pursuant to one or more written agreements as described by Subsection (b).

(d) Section 151.154(a) does not apply to a purchaser of an aircraft.

Added by Acts 2015, 84th Leg., R.S., Ch. 631 (S.B. 1396), Sec. 1, eff. September 1, 2015.

Sec. 163.003. USE OF AIRCRAFT. For purposes of the tax imposed under Subchapter D, Chapter 151, an aircraft that is brought into this state for the sole purpose of being completed, repaired, remodeled, or restored is not brought into the state for storage, use, or other consumption in this state.

Added by Acts 2015, 84th Leg., R.S., Ch. 631 (S.B. 1396), Sec. 1, eff. September 1, 2015.

Sec. 163.004. NO PRESUMPTION OF USE. For purposes of the tax imposed under Subchapter D, Chapter 151, there is no presumption that an aircraft was purchased for storage, use, or consumption in this state if the person bringing the aircraft into this state did not acquire the aircraft directly from a seller by means of a purchase, as that term is defined by Section 151.005.

Added by Acts 2015, 84th Leg., R.S., Ch. 631 (S.B. 1396), Sec. 1, eff. September 1, 2015.

Sec. 163.005. NO IMPOSITION OF TAX FOLLOWING OUT-OF-STATE USE. (a) No tax is imposed under Subchapter D, Chapter 151, with respect to an aircraft that is brought into this state if the aircraft is predominantly used outside of this state for a period of one year beginning on the later of:

(1) the date the aircraft was acquired, whether by purchase, lease, rental, or otherwise, by the person bringing the aircraft into this state; or

(2) the date the aircraft:

(A) was substantially complete in the condition for its intended use; and

(B) conducted its first flight for the carriage of persons or property.

(b) For purposes of this section, an aircraft is predominantly used outside of this state if more than 50 percent of the aircraft's departures are from locations outside of this state. Added by Acts 2015, 84th Leg., R.S., Ch. 631 (S.B. 1396), Sec. 1, eff. September 1, 2015.

Sec. 163.006. CERTAIN TRANSACTIONS BETWEEN RELATED PERSONS.

(a) For purposes of the tax imposed under Chapter 151, a sale, lease, rental, or other transaction between a person and a member, owner, or affiliate of the person involving an aircraft that would not be subject to tax or would qualify for an exemption from tax if the transaction were between unrelated persons remains not subject to tax or exempt from tax to the same extent as if the transaction were between unrelated persons.

(b) No tax is imposed under Chapter 151 with respect to the use of an aircraft by an owner or member of the purchaser of the aircraft, by an entity that is an affiliate of the purchaser of the aircraft, or by an owner or member of an affiliate of the purchaser of the aircraft if:

(1) with respect to the purchase of the aircraft, the purchaser paid the tax imposed under Chapter 151; or

(2) the purchaser's purchase of the aircraft was exempt from the tax imposed under Chapter 151, other than under:

(A) Section 151.302; or

(B) Section 151.304, unless the purchase would have been exempt from tax under Section 151.304 if the owner, member, affiliate, or owner or member of the affiliate who is using the aircraft had been the purchaser.

(c) For purposes of this section, the term "affiliate" means an entity that would be classified as a member of the purchaser's affiliated group under Section 171.0001.

Added by Acts 2015, 84th Leg., R.S., Ch. 631 (S.B. 1396), Sec. 1, eff. September 1, 2015.

Sec. 163.007. AIRCRAFT OPERATED UNDER FRACTIONAL OWNERSHIP PROGRAMS. No tax is imposed under Chapter [151](#) with respect to the purchase, sale, or use of an aircraft that is operated pursuant to 14 C.F.R. Part 91, Subpart K.

Added by Acts 2015, 84th Leg., R.S., Ch. 631 (S.B. [1396](#)), Sec. 1, eff. September 1, 2015.

Sec. 163.008. NO IMPOSITION OF TAX UNDER THIS CHAPTER. Nothing in this chapter shall be construed to impose a tax.

Added by Acts 2015, 84th Leg., R.S., Ch. 631 (S.B. [1396](#)), Sec. 1, eff. September 1, 2015.

Sec. 163.009. CONFLICTS WITH OTHER LAW. This chapter controls over Chapter [151](#) to the extent of any conflict.

Added by Acts 2015, 84th Leg., R.S., Ch. 631 (S.B. [1396](#)), Sec. 1, eff. September 1, 2015.