

**i** *informational**Bulletin*

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Sales and Use Tax Exemption for Aircraft Repair and Refurbishment Extended

This bulletin is written to inform you of recent changes; it does not replace statutes, rules and regulations, or court decisions.

To: All Persons Who Modify, Refurbish, Maintain, or Repair Aircraft

Effective February 5, 2020, Illinois Public Act 101-629 amended the Use Tax Act (35 ILCS 105/3-5), the Service Use Tax Act (35 ILCS 110/3-5), the Service Occupation Tax Act (35 ILCS 115/3-5), and the Retailers' Occupation Tax Act (35 ILCS 120/2-5) to extend to December 31, 2024, the Sales and Use Tax exemption on 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.

What qualifies under this exemption?

As noted above, the exemption applies to 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. The exemption also applies to certain consumable supplies used in the modification, refurbishment, completion, replacement, repair, and maintenance of aircraft, such as adhesive, tape, sandpaper, general purpose lubricants, cleaning solution, latex gloves, and protective films.

The exemption excludes materials, parts, equipment, components, and consumable supplies used in the modification, replacement, repair, and maintenance of aircraft engines or power plants, regardless of whether an engine or power plant is installed in the aircraft.

The exemption applies only to the use of qualifying tangible personal property by persons who modify, refurbish, complete, repair, replace, or maintain aircraft and who meet each of the following criteria:

- The person holds an Air Agency Certificate and is empowered to operate an approved repair station by the Federal Aviation Administration.
- The person must have a Class IV Rating.
- The person must 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.

For information or forms

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Was this exemption disallowed on or after January 1, 2015?

Yes, as originally enacted, this exemption extended only to purchases made prior to January 1, 2015. Public Act 101-629 not only extends the time under which the exemption can be claimed, it provides that the extension applies continuously from January 1, 2010 (*i.e.*, the date it was enacted) through December 31, 2024.

Public Act 101-629 does not allow any claims for credit or refund for taxes paid as a result of the disallowance of this exemption on or after January 1, 2015, prior to its reenactment effective February 5, 2020.

Note: Retailers must retain in their records documentation to support customers' exempt purchases.