

**DEPARTMENT OF TAXATION  
2025 Fiscal Impact Statement**

1. **Patron** Bill DeSteph

3. **Committee** House Finance

4. **Title** Sales and use tax exemption; Aircraft components

2. **Bill Number** SB 942

**House of Origin:**

**Introduced**

**Substitute**

**Engrossed**

**Second House:**

**In Committee**

**Substitute**

**Enrolled**

**5. Summary/Purpose:**

This bill would extend the sunset date for the sales and 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 until July 1, 2030.

Under current law, the exemption for aircraft components is scheduled to expire July 1, 2025.

If enacted during the regular session of the 2025 General Assembly, this bill would become effective July 1, 2025.

6. **Budget amendment necessary:** No.

7. **No Fiscal Impact.** (See Line 8.)

**8. Fiscal implications:**

Administrative Costs

The Department of Taxation ("the Department") considers implementation of this bill to be "routine" and does not require additional funding. The bill would have no impact on local administrative costs.

Revenue Impact

This bill would have no impact on revenues because the continuation of existing sales tax exemptions such as this one is assumed in the Introduced Executive Budget.

**9. Specific agency or political subdivisions affected:**

Department of Taxation

10. **Technical amendment necessary:** No.

## 11. Other comments:

### Current Law

Legislation enacted during the 2017 General Assembly exempted from the Retail Sales and Use Tax parts, engines, and supplies used for maintaining, repairing, or reconditioning aircraft or any aircraft's avionics system, engine, or component parts. The exemption covers both manned and unmanned systems but does not cover tools or equipment. The exemption does not restrict the sales tax exemption available to scheduled common carriers under current law. The scope of the exemption was clarified in 2022 to apply only to aircraft with a maximum takeoff weight of at least 2,400 pounds.

Since most common carrier airlines already qualify for the exemption enumerated in *Va. Code* § 58.1-609.3(6), the two identifiable groups of taxpayers who benefit from this exemption are unscheduled common carriers and owners of private planes. This exemption allows those two groups of aircraft owners to purchase parts, engines, and supplies used to maintain, repair, and recondition their aircraft and avionic systems exempt from the Retail Sales and Use Tax. The inclusion of unmanned systems within the law means that drones are eligible for the exemption as well.

### Proposal

This bill would extend the sunset date for the sales and 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 until July 1, 2030.

If enacted during the regular session of the 2025 General Assembly, this bill would become effective July 1, 2025.

### Similar Legislation

**House Bill 1729** would extend the sunset date for the sales and 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 until July 1, 2028.

cc : Secretary of Finance

Date: 02/05/2025 VB  
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