

1 HB20
2 210359-5
3 By Representative Lee
4 RFD: Ways and Means Education
5 First Read: 11-JAN-22
6 PFD: 09/01/2021

1
2 ENROLLED, An Act,

3 Relating to taxation; to amend Section 40-23-4, Code
4 of Alabama 1975, as amended by Act 2019-444 of the 2019
5 Regular Session, to extend the tax exemption for gross
6 receipts from the sale of certain parts, components, and
7 systems that become part of certain military aircraft; and to
8 delete language providing for extension of the tax credit by
9 joint resolution.

10 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

11 Section 1. Section 40-23-4, Code of Alabama 1975, as
12 amended by Act 2019-444 of the 2019 Regular Session, is
13 amended to read as follows:

14 "§40-23-4.

15 "(a) There are exempted from the provisions of this
16 division and from the computation of the amount of the tax
17 levied, assessed, or payable under this division the
18 following:

19 "(1) The gross proceeds of the sales of lubricating
20 oil and gasoline as defined in Sections 40-17-30 and 40-17-170
21 and the gross proceeds from those sales of lubricating oil
22 destined for out-of-state use which are transacted in a manner
23 whereby an out-of-state purchaser takes delivery of such oil
24 at a distributor's plant within this state and transports it
25 out-of-state, which are otherwise taxed.

1 (2) The gross proceeds of the sale, or sales, of
2 fertilizer when used for agricultural purposes. The word
3 "fertilizer" shall not be construed to include cottonseed
4 meal, when not in combination with other materials.

5 (3) The gross proceeds of the sale, or sales, of
6 seeds for planting purposes and baby chicks and poults.
7 Nothing herein shall be construed to exempt or exclude from
8 the computation of the tax levied, assessed, or payable, the
9 gross proceeds of the sale or sales of plants, seedlings,
10 nursery stock, or floral products.

11 (4) The gross proceeds of sales of insecticides and
12 fungicides when used for agricultural purposes or when used by
13 persons properly permitted by the Department of Agriculture
14 and Industries or any applicable local or state governmental
15 authority for structural pest control work and feed for
16 livestock and poultry, but not including prepared food for
17 dogs and cats.

18 (5) The gross proceeds of sales of all livestock by
19 whomsoever sold, and also the gross proceeds of poultry and
20 other products of the farm, dairy, grove, or garden, when in
21 the original state of production or condition of preparation
22 for sale, when such sale or sales are made by the producer or
23 members of his immediate family or for him by those employed
24 by him to assist in the production thereof. Nothing herein
25 shall be construed to exempt or exclude from the measure or

1 computation of the tax levied, assessed, or payable hereunder,
2 the gross proceeds of sales of poultry or poultry products
3 when not products of the farm.

4 (6) Cottonseed meal exchanged for cottonseed at or
5 by cotton gins.

6 (7) The gross receipts from the business on which,
7 or for engaging in which, a license or privilege tax is levied
8 by or under the provisions of Sections 40-21-50, 40-21-53, and
9 40-21-56 through 40-21-60; provided, that nothing contained in
10 this subdivision shall be construed to exempt or relieve the
11 person or persons operating the business enumerated in said
12 sections from the payments of the tax levied by this division
13 upon or measured by the gross proceeds of sales of any
14 tangible personal property, except gas and water, the gross
15 receipts from the sale of which are the measure of the tax
16 levied by said Section 40-21-50, merchandise or other tangible
17 commodities sold at retail by said persons, unless the gross
18 proceeds of sale thereof are otherwise specifically exempted
19 by the provisions of this division.

20 (8) The gross proceeds of sales or gross receipts of
21 or by any person, firm, or corporation, from the sale of
22 transportation, gas, water, or electricity, of the kinds and
23 natures, the rates and charges for which, when sold by public
24 utilities, are customarily fixed and determined by the Public
25 Service Commission of Alabama or like regulatory bodies.

1 (9) The gross proceeds of the sale, or sales of wood
2 residue, coal, or coke to manufacturers, electric power
3 companies, and transportation companies for use or consumption
4 in the production of by-products, or the generation of heat or
5 power used in manufacturing tangible personal property for
6 sale, for the generation of electric power or energy for use
7 in manufacturing tangible personal property for sale or for
8 resale, or for the generation of motive power for
9 transportation.

10 (10) The gross proceeds from the sale or sales of
11 fuel and supplies for use or consumption aboard ships,
12 vessels, towing vessels, or barges, or drilling ships, rigs or
13 barges, or seismic or geophysical vessels, or other watercraft
14 (herein for purposes of this exemption being referred to as
15 "vessels") engaged in foreign or international commerce or in
16 interstate commerce; provided, that nothing in this division
17 shall be construed to exempt or exclude from the measure of
18 the tax herein levied the gross proceeds of sale or sales of
19 material and supplies to any person for use in fulfilling a
20 contract for the painting, repair, or reconditioning of
21 vessels, barges, ships, other watercraft, and commercial
22 fishing vessels of over five tons load displacement as
23 registered with the U.S. Coast Guard and licensed by the State
24 of Alabama Department of Conservation and Natural Resources.

1 For purposes of this subdivision, it shall be
2 presumed that vessels engaged in the transportation of cargo
3 between ports in the State of Alabama and ports in foreign
4 countries or possessions or territories of the United States
5 or between ports in the State of Alabama and ports in other
6 states are engaged in foreign or international commerce or
7 interstate commerce, as the case may be. For the purposes of
8 this subdivision, the engaging in foreign or international
9 commerce or interstate commerce shall not require that the
10 vessel involved deliver cargo to or receive cargo from a port
11 in the State of Alabama. For purposes of this subdivision,
12 vessels carrying passengers for hire, and no cargo, between
13 ports in the State of Alabama and ports in foreign countries
14 or possessions or territories of the United States or between
15 ports in the State of Alabama and ports in other states shall
16 be engaged in foreign or international commerce or interstate
17 commerce, as the case may be, if, and only if, both of the
18 following conditions are met: (i) The vessel in question is a
19 vessel of at least 100 gross tons; and (ii) the vessel in
20 question has an unexpired certificate of inspection issued by
21 the United States Coast Guard or by the proper authority of a
22 foreign country for a foreign vessel, which certificate is
23 recognized as acceptable under the laws of the United States.
24 Vessels that are engaged in foreign or international commerce
25 or interstate commerce shall be deemed for the purposes of

1 this subdivision to remain in such commerce while awaiting or
2 under repair in a port of the State of Alabama if such vessel
3 returns after such repairs are completed to engaging in
4 foreign or international commerce or interstate commerce. For
5 purposes of this subdivision, seismic or geophysical vessels
6 which are engaged either in seismic or geophysical tests or
7 evaluations exclusively in offshore federal waters or in
8 traveling to or from conducting such tests or evaluations
9 shall be deemed to be engaged in international or foreign
10 commerce. For purposes of this subdivision, proof that fuel
11 and supplies purchased are for use or consumption aboard
12 vessels engaged in foreign or international commerce or in
13 interstate commerce may be accomplished by the merchant or
14 seller securing the duly signed certificate of the vessel
15 owner, operator, or captain or their respective agent, on a
16 form prescribed by the department, that the fuel and supplies
17 purchased are for use or consumption aboard vessels engaged in
18 foreign or international commerce or in interstate commerce.
19 Any person filing a false certificate shall be guilty of a
20 misdemeanor and upon conviction shall be fined not less than
21 \$25 nor more than \$500 for each offense. Each false
22 certificate filed shall constitute a separate offense. Any
23 person filing a false certificate shall be liable to the
24 department for all taxes imposed by this division upon the
25 merchant or seller, together with any interest or penalties

1 thereon, by reason of the sale or sales of fuel and supplies
2 applicable to such false certificate. If a merchant or seller
3 of fuel and supplies secures the certificate herein mentioned,
4 properly completed, such merchant or seller shall not be
5 liable for the taxes imposed by this division, if such
6 merchant or seller had no knowledge that such certificate was
7 false when it was filed with such merchant or seller.

8 (11) The gross proceeds of sales of tangible
9 personal property to the State of Alabama, to the counties
10 within the state and to incorporated municipalities of the
11 State of Alabama.

12 (12) The gross proceeds of the sale or sales of
13 railroad cars, vessels, barges, and commercial fishing vessels
14 of over five tons load displacement as registered with the
15 U.S. Coast Guard and licensed by the State of Alabama
16 Department of Conservation and Natural Resources, when sold by
17 the manufacturers or builders thereof.

18 (13) The gross proceeds of the sale or sales of
19 materials, equipment, and machinery that, at any time, enter
20 into and become a component part of ships, vessels, towing
21 vessels or barges, or drilling ships, rigs or barges, or
22 seismic or geophysical vessels, other watercraft and
23 commercial fishing vessels of over five tons load displacement
24 as registered with the U.S. Coast Guard and licensed by the
25 State of Alabama Department of Conservation and Natural

1 Resources. Additionally, the gross proceeds from the sale or
2 sales of lifeboats, personal flotation devices, ring life
3 buoys, survival craft equipment, distress signals, EPIRB's,
4 fire extinguishers, injury placards, waste management plans
5 and logs, marine sanitation devices, navigation rulebooks,
6 navigation lights, sound signals, navigation day shapes, oil
7 placard cards, garbage placards, FCC SSL, stability
8 instructions, first aid equipment, compasses, anchor and radar
9 reflectors, general alarm systems, bilge pumps, piping, and
10 discharge and electronic position fixing devices which are
11 used on the aforementioned watercraft.

12 (14) The gross proceeds of the sale or sales of fuel
13 oil purchased as fuel for kiln use in manufacturing
14 establishments.

15 (15) The gross proceeds of the sale or sales of
16 tangible personal property to county and city school boards
17 within the State of Alabama, independent school boards within
18 the State of Alabama, all educational institutions and
19 agencies of the State of Alabama, the counties within the
20 state, or any incorporated municipalities of the State of
21 Alabama, and private educational institutions operating within
22 the State of Alabama offering conventional and traditional
23 courses of study, such as those offered by public schools,
24 colleges, or universities within the State of Alabama; but not
25 including nurseries, day care centers, and home schools.

1 (16) The gross proceeds from the sale of all devices
2 or facilities, and all identifiable components thereof, or
3 materials for use therein, acquired primarily for the control,
4 reduction, or elimination of air or water pollution and the
5 gross proceeds from the sale of all identifiable components
6 of, or materials used or intended for use in, structures built
7 primarily for the control, reduction, or elimination of air
8 and water pollution.

9 (17) The gross proceeds of sales of tangible
10 personal property or the gross receipts of any business which
11 the state is prohibited from taxing under the Constitution or
12 laws of the United States or under the Constitution of this
13 state.

14 (18) When dealers or distributors use parts taken
15 from stocks owned by them in making repairs without charge for
16 such parts to the owner of the property repaired pursuant to
17 warranty agreements entered into by manufacturers, such use
18 shall not constitute taxable sales to the manufacturers,
19 distributors, or to the dealers, under this division or under
20 any county sales tax law.

21 (19) The gross proceeds received from the sale or
22 furnishing of food, including potato chips, candy, fruit and
23 similar items, soft drinks, tobacco products, and stationery
24 and other similar or related articles by hospital canteens
25 operated by Alabama state hospitals at Bryce Hospital and

1 Partlow State School for Mental Deficients at Tuscaloosa,
2 Alabama, and Searcy Hospital at Mt. Vernon, Alabama, for the
3 benefit of the patients therein.

4 (20) The gross proceeds of the sale, or sales, of
5 wrapping paper and other wrapping materials when used in
6 preparing poultry or poultry products for delivery, shipment,
7 or sale by the producer, processor, packer, or seller of such
8 poultry or poultry products, including pallets used in
9 shipping poultry and egg products, paper or other materials
10 used for lining boxes or other containers in which poultry or
11 poultry products are packed together with any other materials
12 placed in such containers for the delivery, shipment, or sale
13 of poultry or poultry products.

14 (21) The gross proceeds of the sales of all
15 antibiotics, hormones and hormone preparations, drugs,
16 medicines or medications, vitamins, minerals or other
17 nutrients, and all other feed ingredients including
18 concentrates, supplements, and other feed ingredients when
19 such substances are used as ingredients in mixing and
20 preparing feed for fish raised to be sold on a commercial
21 basis, livestock, and poultry. Such exemption herein granted
22 shall be in addition to exemptions now provided by law for
23 feed for fish raised to be sold on a commercial basis,
24 livestock, and poultry, but not including prepared foods for
25 dogs or cats.

1 (22) The gross proceeds of the sale, or sales, of
2 seedlings, plants, shoots, and slips which are to be used for
3 planting vegetable gardens or truck farms and other
4 agricultural purposes. Nothing herein shall be construed to
5 exempt, or exclude from the computation of the tax levied,
6 assessed, or payable, the gross proceeds of the sale, or the
7 use of plants, seedlings, shoots, slips, nursery stock, and
8 floral products, except as hereinabove exempted.

9 (23) The gross proceeds of the sale, or sales, of
10 fabricated steel tube sections, when produced and fabricated
11 in this state by any person, firm, or corporation for any
12 vehicular tunnel for highway vehicular traffic, when sold by
13 the manufacturer or fabricator thereof, and also the gross
14 proceeds of the sale, or sales, of steel which enters into and
15 becomes a component part of such fabricated steel tube
16 sections of said tunnel.

17 (24) The gross proceeds from sales of admissions to
18 any theatrical production, symphonic or other orchestral
19 concert, ballet, or opera production when such concert or
20 production is presented by any society, association, guild, or
21 workshop group, organized within this state, whose members or
22 some of whose members regularly and actively participate in
23 such concerts or productions for the purposes of providing a
24 creative outlet for the cultural and educational interests of
25 such members, and of promoting such interests for the

1 betterment of the community by presenting such productions to
2 the general public for an admission charge. The employment of
3 a paid director or conductor to assist in any such
4 presentation described in this subdivision shall not be
5 construed to prohibit the exemptions herein provided.

6 (25) The gross proceeds of sales of herbicides for
7 agricultural uses by whomsoever sold. The term herbicides, as
8 used in this subdivision, means any substance or mixture of
9 substances intended to prevent, destroy, repel, or retard the
10 growth of weeds or plants. It shall include preemergence
11 herbicides, postemergence herbicides, lay-by herbicides,
12 pasture herbicides, defoliant herbicides, and desiccant
13 herbicides.

14 (26) The Alabama Chapter of the Cystic Fibrosis
15 Research Foundation and the Jefferson Tuberculosis Sanatorium
16 and any of their departments or agencies, heretofore or
17 hereafter organized and existing in good faith in the State of
18 Alabama for purposes other than for pecuniary gain and not for
19 individual profit, shall be exempted from the computation of
20 the tax on the gross proceeds of all sales levied, assessed,
21 or payable.

22 (27) The gross proceeds from the sale or sales of
23 fuel for use or consumption aboard commercial fishing vessels
24 are hereby exempt from the computation of all sales taxes
25 levied, assessed, or payable under the provisions of this

1 division or levied under any county or municipal sales tax
2 law.

3 The words commercial fishing vessels shall mean
4 vessels whose masters and owners are regularly and exclusively
5 engaged in fishing as their means of livelihood.

6 (28) The gross proceeds of sales of sawdust, wood
7 shavings, wood chips, and other like materials sold for use as
8 chicken litter by poultry producers and poultry processors.

9 (29) The gross proceeds of the sales of all
10 antibiotics, hormones and hormone preparations, drugs,
11 medicines, and other medications including serums and
12 vaccines, vitamins, minerals, or other nutrients for use in
13 the production and growing of fish, livestock, and poultry by
14 whomsoever sold. Such exemption as herein granted shall be in
15 addition to the exemption provided by law for feed for fish,
16 livestock, and poultry, and in addition to the exemptions
17 provided by law for the above-enumerated substances and
18 products when mixed and used as ingredients in fish,
19 livestock, and poultry feed.

20 (30) The gross proceeds of the sale or sales of all
21 medicines prescribed by physicians for persons who are 65
22 years of age or older, and when said prescriptions are filled
23 by licensed pharmacists, shall be exempted under this division
24 or under any county or municipal sales tax law. The exemption

1 provided in this section shall not apply to any medicine
2 purchased in any manner other than as is herein provided.

3 For the purposes of this subdivision, proof of age
4 may be accomplished by filing with the dispensing pharmacist
5 any one or more of the following documents:

6 a. The name and claim number as shown on a Medicare
7 card issued by the United States Social Security
8 Administration.

9 b. A certificate executed by any adult person having
10 knowledge of the fact that the person for whom the medicine
11 was prescribed is not less than 65 years of age.

12 c. An affidavit executed by any adult person having
13 knowledge of the fact that the person for whom the medicine
14 was prescribed is not less than 65 years of age.

15 For the purposes of this subdivision, any person
16 filing a false proof of age shall be guilty of a misdemeanor
17 and upon conviction thereof shall be punished by a fine of
18 \$100.

19 (31) There shall be exempted from the tax levied by
20 this division the gross receipts of sales of grass sod of all
21 kinds and character when in the original state of production
22 or condition of preparation for sale, when such sales are made
23 by the producer or members of his family or for him by those
24 employed by him to assist in the production thereof; provided,
25 that nothing herein shall be construed to exempt sales of sod

1 by a person engaged in the business of selling plants,
2 seedlings, nursery stock, or floral products.

3 (32) The gross receipts of sales of the following
4 items or materials which are necessary in the farm-to-market
5 production of tomatoes when such items or materials are used
6 by the producer or members of his family or for him by those
7 employed by him to assist in the production thereof: Twine for
8 tying tomatoes, tomato stakes, field boxes (wooden boxes used
9 to take tomatoes from the fields to shed), and tomato boxes
10 used in shipments to customers.

11 (33) The gross proceeds from the sale of liquefied
12 petroleum gas or natural gas sold to be used for agricultural
13 purposes.

14 (34) The gross receipts of sales from state
15 nurseries of forest tree seedlings.

16 (35) The gross receipts of sales of forest tree seed
17 by the state.

18 (36) The gross receipts of sales of Lespedeza
19 bicolor and other species of perennial plant seed and
20 seedlings sold for wildlife and game food production purposes
21 by the state.

22 (37) The gross receipts of any aircraft
23 manufactured, sold, and delivered in this state if said
24 aircraft are not permanently domiciled in Alabama and are
25 removed to another state.

1 (38) The gross proceeds from the sale or sales of
2 all diesel fuel used for off-highway agricultural purposes.

3 (39) The gross proceeds from sales of admissions to
4 any sporting event which:

5 a. Takes place in the State of Alabama on or after
6 January 1, 1984, regardless of when such sales occur; and

7 b. Is hosted by a not-for-profit corporation
8 organized and existing under the laws of the State of Alabama;
9 and

10 c. Determines a national championship of a national
11 organization, including but not limited to the Professional
12 Golfers Association of America, the Tournament Players
13 Association, the United States Golf Association, the United
14 States Tennis Association, and the National Collegiate
15 Athletic Association; and

16 d. Has not been held in the State of Alabama on more
17 than one prior occasion, provided, however, that for such
18 purpose the Professional Golfers Association Championship, the
19 United States Open Golf Championship, the United States
20 Amateur Golf Championship of the United States Golf
21 Association, and the United States Open Tennis Championship
22 shall each be treated as a separate event.

23 (40) The gross receipts from the sale of any
24 aircraft and replacement parts, components, systems, supplies,
25 and sundries affixed or used on said aircraft and ground

1 support equipment and vehicles used by or for the aircraft to
2 or by a certificated or licensed air carrier with a hub
3 operation within this state, for use in conducting intrastate,
4 interstate, or foreign commerce for transporting people or
5 property by air. For the purpose of this subdivision, the
6 words "hub operation within this state" shall be construed to
7 have all of the following criteria:

8 a. There originates from the location 15 or more
9 flight departures and five or more different first-stop
10 destinations five days per week for six or more months during
11 the calendar year; and

12 b. Passengers and/or property are regularly
13 exchanged at the location between flights of the same or a
14 different certificated or licensed air carrier.

15 (41) The gross receipts from the sale of hot or cold
16 food and beverage products sold to or by a certificated or
17 licensed air carrier with a hub operation within this state,
18 for use in conducting intrastate, interstate, or foreign
19 commerce for transporting people or property by air. For the
20 purpose of this subdivision, the words "hub operation within
21 this state" shall be construed to have all of the following
22 criteria:

23 a. There originates from the location 15 or more
24 flight departures and five or more different first-stop

1 destinations five days per week for six or more months during
2 the calendar year; and

3 b. Passengers and/or property are regularly
4 exchanged at the location between flights of the same or a
5 different certificated or licensed air carrier.

6 (42) The gross receipts from the sale of any
7 aviation jet fuel to a certificated or licensed air carrier
8 purchased for use in scheduled all-cargo operations being
9 conducted on international flights or in international
10 commerce. For purposes of this subdivision, the following
11 words or terms shall be defined and interpreted as follows:

12 a. Air Carrier. Any person, firm, corporation, or
13 entity undertaking by any means, directly or indirectly, to
14 provide air transportation.

15 b. All-Cargo Operations. Any flight conducted by an
16 air carrier for compensation or hire other than a passenger
17 carrying flight, except passengers as specified in 14 C.F.R.
18 §121.583(a) or 14 C.F.R. §135.85, as amended.

19 c. International Commerce. Any air carrier engaged
20 in all-cargo operations transporting goods for compensation or
21 hire on international flights.

22 d. International Flights. Any air carrier conducting
23 scheduled all-cargo operations between any point within the 50
24 states of the United States and the District of Columbia and
25 any point outside the 50 states of the United States and the

1 District of Columbia, including any interim stops within the
2 United States so long as the ultimate origin or destination of
3 the aircraft is outside the United States and the District of
4 Columbia.

5 (43) The gross proceeds of the sale or sales of the
6 following:

7 a. Drill pipe, casing, tubing, and other pipe used
8 for the exploration for or production of oil, gas, sulphur, or
9 other minerals in offshore federal waters.

10 b. Tangible personal property exclusively used for
11 the exploration for or production of oil, gas, sulphur, or
12 other minerals in offshore federal waters.

13 c. Fuel and supplies for use or consumption aboard
14 boats, ships, aircraft, and towing vessels when used
15 exclusively in transporting persons or property between a
16 point in Alabama and a point or points in offshore federal
17 waters for the exploration for or production of oil, gas,
18 sulphur, or other minerals in offshore federal waters.

19 d. Drilling equipment that is used for the
20 exploration for or production of oil, gas, sulphur, or other
21 minerals, that is built for exclusive use outside this state
22 and that is, on completion, removed forthwith from this state.

23 The delivery of items exempted by this subdivision
24 to the purchaser or lessee in this state does not disqualify
25 the purchaser or lessee from the exemption if the property is

1 removed from the state by any means, including by the use of
2 the purchaser's or lessee's own facilities.

3 The shipment to a place in this state of equipment
4 exempted by this subdivision for further assembly or
5 fabrication does not disqualify the purchaser or lessee from
6 the exemption if on completion of the further assembly or
7 fabrication the equipment is removed forthwith from this
8 state. This subdivision applies to a sale that may occur when
9 the equipment exempted is further assembled or fabricated if
10 on completion the equipment is removed forthwith from this
11 state.

12 (44) The gross receipts derived from all bingo games
13 and operations which are conducted in compliance with validly
14 enacted legislation authorizing the conduct of such games and
15 operations, and which comply with the distribution
16 requirements of the applicable local laws; provided that the
17 exemption from sales taxation granted by this subdivision
18 shall apply only to gross receipts taxable under subdivision
19 (2) of Section 40-23-2. It is further provided that this
20 exemption shall not apply to any gross receipts from the sale
21 of tangible personal property, such as concessions, novelties,
22 food, beverages, etc. The exemption provided for in this
23 section shall be limited to those games and operations by
24 organizations which have qualified for exemption under the

1 provisions of 26 U.S.C. § 501 (c) (3), (4), (7), (8), (10), or
2 (19), or which are defined in 26 U.S.C. § 501(d).

3 (45) The gross receipts derived from the sale or
4 sales of fruit or other agricultural products by the person or
5 company, as defined in Section 40-23-1, that planted or
6 cultivated and harvested the fruit or agricultural product,
7 when the land is owned or leased by the seller.

8 (46) The gross receipts derived from the sale or
9 sales of all domestically mined or produced coal, coke, and
10 coke by-products used in cogeneration plants.

11 (47) The gross receipts from the sale or sales of
12 metal, other than gold or silver, when such metal is purchased
13 for the purpose of transferring such metal to an investment
14 trust in exchange for shares or other units, each of which are
15 both publicly traded and represent fractional undivided
16 beneficial interests in the trust's net assets, including
17 metal stored in warehouses located in this state, as well as
18 the gross proceeds from the sale or other transfer of such
19 metal to or from such investment trust in exchange for shares
20 or other units that are publicly traded and represent
21 fractional undivided beneficial interests in the trust's net
22 assets but not to the extent that metal is transferred to or
23 from the investment trust in exchange for consideration other
24 than such publicly traded shares or other units. For purposes
25 of this subdivision, the term metals includes, but is not

1 limited to, copper, aluminum, nickel, zinc, tin, lead, and
2 other similar metals typically used in commercial and
3 industrial applications.

4 (48) For the period commencing on October 1, 2012,
5 and ending May 30, ~~2022, unless extended by joint resolution,~~
6 ~~2032,~~ 2027, the gross receipts from the sale of parts,
7 components, and systems that become a part of a fixed or
8 rotary wing military aircraft or certified transport category
9 aircraft that undergoes conversion, reconfiguration, or
10 general maintenance so long as the address of the aircraft for
11 FAA registration is not in the state; provided, however, that
12 this exemption shall not apply to a local sales tax unless
13 previously exempted by local law or approved by resolution of
14 the local governing body.

15 The exemption authorized by this subsection shall
16 not be available for sales of parts, components, or systems
17 for new contracts or projects entered into after May 30, 2027,
18 unless the Legislature enacts legislation to continue or
19 reinstate the exemption for new contracts or projects after
20 that date. No action or inaction on the part of the
21 Legislature shall reduce, suspend, or disqualify sales of
22 parts, components, or systems from the exemption in any past
23 year or future years until May 30, 2030, with respect to
24 contracts or projects entered into on or before May 30, 2027;
25 it being the sole intent that failure of the Legislature to

1 enact legislation to reinstate the exemption for new contracts
2 or projects after May 30, 2027, shall affect only the
3 availability of the exemption to new contracts and projects
4 after that date and shall not affect availability of the
5 exemption for contracts or projects entered into on or before
6 May 30, 2027, for which the exemption shall be available until
7 May 30, 2030.

8 (49) The gross proceeds from the sale or sales
9 within school buildings of lunches to pupils of kindergarten,
10 grammar, and high schools, either public or private, that are
11 not sold for profit.

12 (50) The gross proceeds of services provided by
13 photographers, including but not limited to sitting fees and
14 consultation fees, even when provided as part of a transaction
15 ultimately involving the sale of one or more photographs, so
16 long as the exempt services are separately stated to the
17 customer on a bill of sale, invoice, or like memorialization
18 of the transaction. For transactions occurring before October
19 1, 2017, neither the Department of Revenue nor local tax
20 officials may seek payment for sales tax not collected. With
21 regard to such transactions in which sales tax was collected
22 and remitted on services provided by photographers, neither
23 the taxpayer nor the entity remitting sales tax shall have the
24 right to seek refund of such tax.

1 (51) a. For the period commencing on June 1, 2018,
2 and ending five years thereafter, unless extended by an act of
3 the Legislature, the gross proceeds of sales of bullion or
4 money, as defined in Section 40-1-1(7).

5 b. For purposes of this subdivision, the following
6 words or terms shall be defined and interpreted as follows:

7 1. Bullion. Gold, silver, platinum, palladium, or a
8 combination of each precious metal, that has gone through a
9 refining process and for which the item's value depends on its
10 mass and purity, and not on its form, numismatic value, or
11 other value. The term includes bullion in the form of bars,
12 ingots, or coins that meet the requirements set forth above.
13 Qualifying bullion may contain other metals or substances,
14 provided that the other substances are minimal in value
15 compared with the value of the gold, silver, platinum, or
16 palladium and the other substances do not add value to the
17 item. For purposes of this subparagraph, "gold, silver,
18 platinum, or palladium" does not include jewelry or works of
19 art.

20 2. Mass Purity. An item's mass is its weight in
21 precious metal, and its purity is the amount of precious metal
22 contained within the item.

23 3. Numismatic Value. An external value above and
24 beyond the base value of the underlying precious metal, due to
25 the item's rarity, condition, age, or other external factor.

1 c. In order for bullion to qualify for the sales tax
2 exemption, gold, silver, platinum, and palladium items must
3 meet all of the following requirements:

4 1. Must be refined.

5 2. Must contain at least ninety percent gold,
6 silver, platinum, or palladium or some combination of these
7 metals.

8 3. The sales price of the item must fluctuate with
9 and depend on the market price of the underlying precious
10 metal, and not on the item's rarity, condition, age, or other
11 external factor.

12 (52) a. The gross proceeds of the initial retail
13 sales of adaptive equipment that is permanently affixed to a
14 motor vehicle.

15 b. For the purposes of this subdivision, the
16 following words or terms shall be defined and interpreted as
17 follows:

18 1. Adaptive Equipment. Equipment not generally used
19 by persons with normal mobility that is appropriate for use in
20 a motor vehicle and that is not normally provided by a motor
21 vehicle manufacturer.

22 2. Motor Vehicle. A vehicle as defined in Section
23 40-12-240.

1 3. Motor Vehicle Manufacturer. Every person engaged
2 in the business of constructing or assembling vehicles or
3 manufactured homes.

4 c. In order to qualify for the exemption provided
5 for herein, the adaptive equipment must be separately stated
6 to the customer on a bill of sale, invoice, or like
7 memorialization of the transaction.

8 (b) Any violation of any provision of this section
9 shall be punishable in a court of competent jurisdiction by a
10 fine of not less than five hundred dollars (\$500) and no more
11 than two thousand dollars (\$2,000) and imprisonment of not
12 less than six months nor more than one year in the county
13 jail."

14 Section 2. Notwithstanding any other provision of
15 this chapter to the contrary, no exemption provided by
16 existing law in this chapter shall be extended, expanded, or
17 modified by a Joint Resolution of the Legislature. Any Joint
18 Resolution passed in violation of this provision shall be null
19 and void.

20 Section 3. This act shall become effective
21 immediately following its passage and approval by the
22 Governor, or its otherwise becoming law.

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Speaker of the House of Representatives

President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in
and was passed by the House 24-FEB-22.

Jeff Woodard
Clerk

Senate	31-MAR-22	Amended and Passed
House	05-APR-22	Concurred in Senate Amendment