



SAN Update

Aviation Tax Incentives Bill Passes Alabama Senate

Last month, the Alabama state Senate passed a modified House bill that would offset state sales tax for aviation companies that locate or expand their business in the state and would promote retention of the companies already established there.

[House Bill 39](#) exempts the parts and systems used to repair or renovate military or transport aircraft based out of state from state sales tax. The Alabama Fiscal Office has estimated that the bill would cut sales tax collections by the Education Trust Fund by nearly \$2.4 million.

State Senators confirmed that passage of the bill is an effort to help engage more aviation industries and business in the state. Known as a pro-jobs bill, it would also help bring in technical jobs and a training workforce.

The adapted bill goes back to the House for review and approval and is made a law upon the governor's signature. The exemption would expire in May 2020 unless extended by the legislature.