

# SENATE BILL 574

Q4

4lr3110  
CF HB 557

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By: ~~Senator Corderman~~ **Senators Corderman, Bailey, Benson, Elfreth, Jackson, Jennings, King, McCray, Salling, and Zucker**

Introduced and read first time: January 25, 2024

Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 10, 2024

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Sales and Use Tax Exemption – Aircraft Parts and Equipment – Repeal of**  
3 **Reporting Requirement and Sunset**

4 FOR the purpose of repealing a certain reporting requirement relating to an exemption  
5 from the sales and use tax for certain materials, parts, and equipment used to repair,  
6 maintain, or upgrade aircraft or certain aircraft systems; repealing the termination  
7 date of the exemption; and generally relating to an exemption from the sales and use  
8 tax for materials, parts, and equipment used to repair, maintain, or upgrade aircraft  
9 or aircraft systems.

10 BY repealing and reenacting, with amendments,  
11 Article – Tax – General  
12 Section 11–237  
13 Annotated Code of Maryland  
14 (2022 Replacement Volume and 2023 Supplement)

15 BY repealing and reenacting, with amendments,  
16 Chapter 638 of the Acts of the General Assembly of 2020  
17 Section 2

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
19 That the Laws of Maryland read as follows:

20 **Article – Tax – General**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 11-237.

2 [(a)] The sales and use tax does not apply to the sale of materials, parts, or  
 3 equipment used to repair, maintain, or upgrade aircraft or the avionics systems of aircraft  
 4 if the materials, parts, or equipment are installed on an aircraft that:

5 (1) has a maximum gross takeoff weight of less than 12,500 pounds; or

6 (2) (i) has a maximum gross takeoff weight of 12,500 pounds or more;  
 7 and

8 (ii) is primarily used in interstate or foreign commerce.

9 [(b)] On or before December 31 each year, the Comptroller shall report to the  
 10 General Assembly, in accordance with § 2-1257 of the State Government Article, on:

11 (1) the amount of sales and use tax revenue lost from the exemption under  
 12 this section; and

13 (2) any change to the number of aviation technicians employed in the State  
 14 as a result of the exemption under this section.]

15 **Chapter 638 of the Acts of 2020**

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
 17 1, 2020. [It shall remain effective for a period of 5 years and, at the end of June 30, 2025,  
 18 this Act, with no further action required by the General Assembly, shall be abrogated and  
 19 of no further force and effect.]

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
 21 1, 2024.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.