

114TH CONGRESS
1ST SESSION

H. R. 3608

To amend the Internal Revenue Code of 1986 to exempt amounts paid for aircraft management services from the excise taxes imposed on transportation by air.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 24, 2015

Mr. TIBERI (for himself, Mr. RENACCI, Mr. KELLY of Pennsylvania, Mrs. BEATTY, Mr. STIVERS, Mr. WENSTRUP, and Mr. POMPEO) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to exempt amounts paid for aircraft management services from the excise taxes imposed on transportation by air.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. AMOUNTS PAID FOR AIRCRAFT MANAGEMENT**
4 **SERVICES.**

5 (a) IN GENERAL.—Subsection (e) of section 4261 of
6 the Internal Revenue Code of 1986 is amended by adding
7 at the end the following new paragraph:

1 “(5) AMOUNTS PAID FOR AIRCRAFT MANAGE-
2 MENT SERVICES.—

3 “(A) IN GENERAL.—No tax shall be im-
4 posed by this section or section 4271 on any
5 amounts paid by an aircraft owner for aircraft
6 management services related to—

7 “(i) maintenance and support of the
8 aircraft owner’s aircraft; or

9 “(ii) flights on the aircraft owner’s
10 aircraft.

11 “(B) AIRCRAFT MANAGEMENT SERV-
12 ICES.—For purposes of subparagraph (A), the
13 term ‘aircraft management services’ includes
14 assisting an aircraft owner with administrative
15 and support services, such as scheduling, flight
16 planning, and weather forecasting; obtaining in-
17 surance; maintenance, storage and fueling of
18 aircraft; hiring, training, and provision of pilots
19 and crew; establishing and complying with safe-
20 ty standards; or such other services necessary
21 to support flights operated by an aircraft
22 owner.

23 “(C) LESSEE TREATED AS AIRCRAFT
24 OWNER.—

1 “(i) IN GENERAL.—For purposes of
2 this paragraph, the term ‘aircraft owner’
3 includes a person who leases the aircraft
4 other than under a disqualified lease.

5 “(ii) DISQUALIFIED LEASE.—For pur-
6 poses of clause (i), the term ‘disqualified
7 lease’ means a lease from a person pro-
8 viding aircraft management services with
9 respect to such aircraft (or a related per-
10 son (within the meaning of section
11 465(b)(3)(C)) to the person providing such
12 services), if such lease is for a term of 31
13 days or less.

14 “(D) PRO RATA ALLOCATION.—If any
15 amount paid to a person represents in part an
16 amount paid for services not described in sub-
17 paragraph (A), the tax imposed by subsection
18 (a), if applicable to such amount, shall be ap-
19 plied to such payment on a pro rata basis.”.

20 (b) EFFECTIVE DATE.—The amendment made by
21 this section shall apply to amounts paid beginning after
22 the date of the enactment of this Act.

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