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118TH CONGRESS
1ST SESSION

# H. R. 4719

To amend the Internal Revenue Code of 1986 to make powered-lift aircraft eligible for certain exemptions from taxes on air transportation.

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IN THE HOUSE OF REPRESENTATIVES

JULY 18, 2023

Mr. PANETTA (for himself and Mr. OBERNOLTE) introduced the following bill; which was referred to the Committee on Ways and Means

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# A BILL

To amend the Internal Revenue Code of 1986 to make powered-lift aircraft eligible for certain exemptions from taxes on air transportation.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the "Advanced Air Mobility Tax Exemption Parity Act of 2023".

**SEC. 2. POWERED-LIFT AIRCRAFT MADE ELIGIBLE FOR CERTAIN EXEMPTIONS FROM TAXES ON AIR TRANSPORTATION.**

(a) EXEMPTION FOR MINING AND TIMBER USES.—Section 4261(f) of the Internal Revenue Code of 1986 is amended—

(1) in paragraph (1), by inserting ''or powered-lift aircraft'' after ''helicopter'',

(2) in paragraph (2), by striking ''or by fixed-wing aircraft'' and inserting '', powered-lift aircraft, or fixed-wing aircraft,'', and

(3) in the matter following paragraph (2)—

(A) by striking ''helicopter or fixed-wing aircraft'' and inserting ''helicopter, powered-lift aircraft, or fixed-wing aircraft'', and

(B) by striking ''helicopter transportation'' and inserting ''helicopter or powered-lift aircraft transportation''.

(b) EXEMPTION FOR AIR AMBULANCES.—Section 4261(g)(1) of such Code is amended by inserting ''or powered-lift aircraft'' after ''helicopter''.

(c) POWERED-LIFT AIRCRAFT DEFINED.—Section 4261 of such Code is amended by adding at the end the following new subsection:

"(l) POWERED-LIFT AIRCRAFT.—For purposes of this section, the term 'powered-lift aircraft' means a heavier-than-air aircraft which—

"(1) is capable of vertical takeoff, vertical landing, and low speed flight,

"(2) depends principally on engine-driven lift devices or engine thrust for lift during flight maneuvers described in paragraph (1), and

"(3) depends principally on one or more non-rotating airfoils for lift during horizontal flight.".

(d) REGULATORY EXEMPTIONS.—In the case of any exemption from the taxes imposed under section 4261 or 4271 of the Internal Revenue Code of 1986 which is provided under any regulation or other guidance issued by the Secretary of the Treasury (or the Secretary's delegate) with respect to transportation by helicopter or fixed-wing aircraft—

(1) such exemption shall also apply to powered-lift aircraft (as defined in section 4261(l) of such Code (as added by this section), and

(2) such Secretary (or delegate) shall modify such regulation or other guidance consistent with the purposes of paragraph (1).

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on the first day of the first calendar quarter beginning more than 60 days after the date of the enactment of this Act.

(2) REGULATORY EXEMPTIONS.—Subsection (d) shall take effect as if such subsection were an amendment to which paragraph (1) applies.

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