

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.

○