

AIRCRAFT AUTHORITATIVE CITATIONS

The following provides the authoritative citations for the Aircraft Survey Topic. In general, citations include Constitutional provisions, sections of the Revenue and Taxation Code, other applicable statutes, court cases, Property Tax Rules, *Assessors' Handbook Sections*, Letters To Assessors, and legal annotations pertaining to the topic.

| CITATION | DESCRIPTION |
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| Revenue and Taxation Code | |
| §220 | Any aircraft in California on lien date solely to be repaired, overhauled, modified, or service is exempt from taxation unless normally based in California or operated intrastate or interstate in and into California. |
| §220.5 | <p>Aircraft of historical significance are aircraft that are original, restored, or replicas of aircraft 35 years old or older, or of which fewer than five are known to exist worldwide. They are exempt from taxation, provided that:</p> <ul style="list-style-type: none"> • The assessee is an individual owner not holding the aircraft for sale, • It is not used for commerce or transportation, • It is available for public display at least 12 days during the year preceding the lien date for which exemption is claimed, • The owner submits a proper affidavit for exemption (signed under penalty of perjury) and pays a \$35 fee, and • The claimant submits a certificate of attendance from the event coordinator at which the aircraft was displayed. |
| §255(a) | The historical aircraft exemption affidavit must be submitted by 5 p.m. on February 15. |
| §276.5 | Allows a partial exemption of 80 percent for historical aircraft claims filed after February 15 but on or before August 1. |
| §401.17 | Effective January 1, 2011, specifies a formula to determine the fair market value of certificated aircraft of commercial air carriers for the 2005-06 fiscal year to the 2015-16 fiscal year. |
| §441 | Requires commercial air carriers to file with the lead county assessor's office one signed property statement for its personal property at all airport locations and fixtures at all airport locations. |
| §1150-1153 | Defines "certificated aircraft"; establishes an allocation formula for certificated |

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| | aircraft assessed values based on a time in state factor and an arrival and departures factor; and, provides that the BOE shall designate the representative period to be used by assessors each year in assessing the aircraft. |
| §1153.5 | Requires the CAA's Aircraft Advisory Subcommittee to designate, after soliciting input from commercial air carriers, a lead county assessor's office for each commercial air carrier operating in California; requires the lead county to calculate the value of the air carrier's personal property and to transmit these calculations to other county assessors; and requires the lead county to lead a team to audit the books and records of the air carrier. |
| §1154-1156 | Defines "air taxi" and specifies under which circumstances air taxis will be subject to the allocation formula. |
| §1160-1162 | Creates new assessment procedure for fractionally owned aircraft: the manager in control of the fleet must file a single property statement with a designated "lead" county; provides for coordinated multi-county audits. |
| §5301-5456 | Establishes a uniform countywide system of assessing all aircraft (except certificated aircraft and scheduled air taxis) regardless of where the aircraft is based in California. Aircraft are to be assessed as is other personal property, where habitually situated, following BOE-established standards, based on information submitted by aircraft owners in a property statement which carries an abatable 10 percent penalty for failure to file timely. The tax on aircraft is collected in the same manner as all other personal property but is distributed according to where the aircraft is habitually based. |
| §5368 | Requires airport operators to provide the assessor with information regarding arrivals and departures of all aircraft using the airport. |
| Property Tax Rules | |
| Rule 138 | Certificated and noncertificated aircraft located in California on the lien date solely for repairs, overhaul, modification, or servicing (including incidental and attendant storage) are exempt from taxation. |
| Rule 201 | Aircraft components, parts, and supplies owned by an air carrier shall be assessed at the place where situated on lien date. Temporary relocation for processing or repair does not change legal situs. |
| Rule 202 | Provides a comprehensive method for allocating the assessed value of certificated aircraft and scheduled air taxis among the counties. |
| Rule 205(b) | A general aircraft (other than certificated aircraft and scheduled air taxis) has situs at the airport where it spends the greatest amount of ground time when not in |

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| | flight. |
| Assessors' Handbook | |
| AH 504 (October 2002) | <i>Assessment of Personal Property and Fixtures.</i> Covers situs of aircraft (pages 39-41). |
| AH 570 (January 1972) | <i>Assessment of Commercial Aircraft.</i> Covers all aspects of the valuation and assessment of certificated aircraft. |
| AH 577 (November 2003) | <i>Assessment of General Aircraft.</i> Covers all aspects of the assessment and valuation of aircraft other than certificated aircraft. The revised version includes more in-depth treatment of situs, comparative sales approach, disaster relief, and mandatory audit requirements as related to general aircraft; and added language regarding the historical aircraft exemption. |
| Letters to Assessors | |
| 77/131 | Guidelines to distinguish between nonscheduled air taxis (which are assessed as general aircraft) and scheduled air taxis (which are assessed as certificated aircraft). |
| 78/205 | A 10-percent penalty can be added to the value of an aircraft where the aircraft statement requested by the assessor under §5365 is not timely filed. |
| 79/113 | The tax rate on general aircraft should not exceed the tax rate on other property on the unsecured roll, notwithstanding §5391 and its ratio of 1.5 percent. |
| 80/119 | Chapter 610 Stats. 1980 amended the allocation formula for certificated air carriers; made general aircraft subject to taxation at the same rate and in the same manner as other personal property; and made general aircraft eligible for the business inventory exemption. |
| 83/17 | Chapter 1219 Stats. 1982 amended the calculation of flight time for the initial acquisition of a certificated aircraft by an air carrier, and amended the allowable ground time for aircraft grounded for more than 720 consecutive hours, not limited to once per year. |
| 88/36 | Questions and answers concerning the interpretation of "available for display to the public," permitted uses of historical aircraft, qualifications of an historical aircraft, and administering the exemption among the counties. |
| 89/46 | Assessors' Handbook Section 587 provided the assessors with guidance as to the |

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| | market value of various makes and models of noncommercial aircraft. |
| 89/84 | The BOE's additional interpretation of two aspects of the historical aircraft statute, i.e., availability for public display and ongoing filing requirements. |
| 97/03 | In compliance with 1996 statutory revision of §5364, the BOE approved the <i>Aircraft Bluebook-Price Digest</i> as the primary guide for valuing general aircraft, and the <i>Vref Aircraft Value Reference</i> as an alternate for planes not listed in the <i>Price Digest</i> . Listed retail values shall be reduced by 10 percent to value aircraft in average condition on lien date. Values should be adjusted for overall condition, equipment, hours since major overhaul, and airframe hours. Assessors are encouraged to make other adjustments as necessary to achieve fair market value, but variances must be based on evidence and should be well documented. |
| 2002/090 | Provides BOE guidance on issues related to the historical aircraft exemption, such as the meaning of "general transportation" and "available for display to the public," to promote uniform administration of the exemption statewide. |
| 2004/012 | Provides BOE guidance on the recently enacted requirement for a certificate of attendance at qualifying display events, to be included with the historical aircraft exemption claim. The BOE advised assessors to waive the certificate requirements for the 2004 lien date, since displays during 2003 had already occurred. A sample <i>Certifications of Participation</i> form is included. |
| 2010/052 | <p>Commercial Air Carriers and Certificated Aircraft Assessments. Effective January 1, 2011, Assembly Bill 384 extends existing provisions of law providing streamlined administrative procedures for commercial air carriers and specifying the valuation methodology for certificated aircraft assessments for use until the 2015-16 fiscal year. These provisions will now sunset on December 31, 2015.</p> <p>The following revisions were also made to the valuation methodology provisions for aircraft to apply to lien dates occurring on or after January 1, 2011:</p> <ul style="list-style-type: none"> • Rebuttable Presumption of Correctness. Expressly provides that the pre-allocated fair market values of aircraft determined using the specified procedures enjoy only a rebuttable presumption of correctness. • Evidence To Rebut Presumption. Specifies the types of evidence that could be used to rebut the presumption as including, but not limited to, appraisals, invoices, and expert testimony. • Original Owner Value Cap. Specifies that the value of any individual aircraft assessed to the original owner of that aircraft shall not exceed its original cost from the manufacturer. <p>Amendments have been made to portions of sections 401.17, 441, and 1153.5.</p> |

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| 2011/047 | Senate Bill 947 (Stats. 2011, ch. 351) was signed by the Governor on September 26, 2011 and will take effect January 1, 2012. SB 947 amends Revenue and Taxation Code sections 1150, 1154, and 5303 to update and delete obsolete statutory references in the definition of <i>certificated aircraft</i> , <i>air taxi</i> , and <i>aircraft</i> . |
| 2013/005 | Assembly Bill 2688 (Stats. 2012, ch. 362) amends section 1154 to update the definition of air taxi. Effective January 1, 2013. |
| 2013/064 | Representative periods for the 2014 tax year for the assessment of aircraft operated by certificated air carriers and scheduled air taxi operators. As of January 1, 2014, pursuant to the provisions of section 1153 and Rule 202, the BOE has designated representative periods for use in assessing the aircraft of the captioned carriers. |
| 2016/004 | Representative periods for the 2016 tax year for the assessment of aircraft operated by certificated air carriers and scheduled air taxi operators. As of January 1, 2016, pursuant to the provisions of section 1153 and Rule 202, the BOE has designated representative periods for use in assessing the aircraft of the captioned carriers. |
| Annotations | |
| 100.0005 | Aircraft owned by a commercial air carrier, out of scheduled service and grounded prior to lien date and not flown during the representative period, should be assessed as general aircraft rather than as certificated aircraft subject to the allocation formula. |
| 100.0015 | Any airplane excluded from "aircraft" as defined in §5303(b) is not thereby exempted; rather, it must be considered "certificated aircraft" under §1150. |
| 100.0025 | Section 220 provides a broad exemption for out-of-state aircraft brought into California solely to be repaired, overhauled, modified, or serviced. |
| 100.0030 | An aircraft which had situs in a county on current lien date and one or more preceding assessment years will continue to have situs there even if moved before the start of the new fiscal year. |
| 105.0020 - 105.0066 | Legal correspondence and letters to assessors dealing with the exemption of aircraft of historical significance. |
| 205.0015 | See LTA 80/144 . |
| 215.0005 | See LTA 77/131 . |
| 215.0015 | See LTA 83/17 . |

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| 215.0020 | No foreign aircraft are subject to property taxation, since foreign carriers cannot engage in interstate commerce. This applies both to aircraft owned by foreign governments and privately owned aircraft used exclusively in international commerce. |
| 740.0001 – 740.0005 | Legal correspondence dealing with the situs of aircraft. |