Aircraft

General

For purposes of the BOE's assessment practices survey, aircraft are divided into four areas of review: general aircraft, certificated aircraft, fractionally owned aircraft, and historical aircraft.

General Aircraft

General aircraft are privately owned aircraft that are used for pleasure or business, but that are not authorized to carry passengers, mail, or freight on a commercial basis. Section 5363 requires the assessor to determine the market value of all aircraft according to standards and guidelines prescribed by the BOE. Section 5364 requires the BOE to establish such standards. On January 10, 1997, the BOE approved the Aircraft Bluebook-Price Digest (Bluebook) as the primary guide for valuing general aircraft, with the Vref Aircraft Value Reference (Vref) to be used as an alternative guide for aircraft not listed in the Bluebook.

In accordance with Rule 205(b), general aircraft are assessable in the county where they are habitually situated when not in flight. An aircraft that spends a substantial amount of ground time at more than one airport has its tax situs at the airport where it spends the greatest amount of ground time.

Certificated Aircraft

Section 1150 defines certificated aircraft as aircraft operated by an air carrier or foreign air carrier engaged in air transportation while there is in force a certificate or permit issued by the Civil Aeronautics Board or by the California Public Utilities Commission authorizing the air carrier to engage in such transportation. This would include air taxis which are operated in scheduled air taxi operations.

Unlike general aircraft, which are normally assessed at the place where they are habitually located when not in flight, the assessments of certificated aircraft are allocated among taxing jurisdictions based on ground and flight time, and the number of arrivals and departures during a representative period. The representative period is designated by the BOE for each assessment year as provided in section 1153. Section 1152 provides the allocation formula to be used in the assessment of certificated aircraft.

Fractionally Owned Aircraft

Fractionally owned aircraft are fleets of aircraft managed and maintained by an operating company where ownership is distributed on a fractional basis similar to a timeshare in real property. The management company handles all operating requirements of the aircraft, including availability, maintenance, billings, shareowner usage, training, and flight crews.

Pursuant to section 1161, fractionally owned aircraft are assessed on a fleetwide basis to the manager in control of the fleet. Like certificated aircraft, fractionally owned aircraft are assessed on an allocated basis using an "allocation factor." This allocation factor is a fraction, the numerator of which is the total
number of landings and departures made by the fleet type in the county during the previous calendar year, and the denominator of which is the total number of landings and departures made by the fleet type worldwide during the previous calendar year.

Section 1162 contains a provision for the appointment of a lead county assessor's office to facilitate property reporting, allocation calculations, the transmittal of allocated values to other jurisdictions where situs has been established, and provide for coordinated multi-county audits.

Historical Aircraft

Aircraft of historical significance can be exempted from taxation if they meet certain requirements. Section 220.5 defines "aircraft of historical significance" as: (1) an aircraft that is an original, restored, or replica of a heavier than air powered aircraft 35 years or older, or (2) any aircraft of a type or model of which there are fewer than five such aircraft known to exist worldwide.

The historical aircraft exemption is not automatic. Each year, the owner of a historical aircraft must submit an affidavit on or before 5:00 p.m., February 15, paying a filing fee of $35 upon the initial application for exemption. Along with these requirements, aircraft of historical significance are exempt only if the following conditions are met: (1) the assessee is an individual owner who does not hold the aircraft primarily for purposes of sale, (2) the assessee does not use the aircraft for commercial purposes or general transportation, and (3) the aircraft was available for display to the public at least 12 days during the 12-month period immediately preceding the lien date for the year for which the exemption is claimed.

For additional information regarding aircraft, refer to Assessors' Handbook Section 577, Assessment of General Aircraft (AH577), Assessors' Handbook Section 570, Assessment of Commercial Aircraft (AH570), and Assessors' Handbook Section 504, Assessment of Personal Property and Fixtures (AH504).

Scope of Review

The BOE's assessment practices survey team evaluates the assessor's practices and procedures regarding aircraft.

The specific areas of review may include, but are not limited to, the following:

- General Program Elements
- General Aircraft
- Certificated Aircraft
- Fractionally Owned Aircraft
- Historical Aircraft