



STATE BOARD OF EQUALIZATION  
PROPERTY AND SPECIAL TAXES DEPARTMENT  
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Executive Director

June 10, 2004

TO INTERESTED PARTIES:

PROPERTY TAX RULE 138,  
EXEMPTION FOR AIRCRAFT BEING REPAIRED, OVERHAULED,  
MODIFIED OR SERVICED

In Letter To Assessors 2004/032, we advised interested parties that the Board had received a petition from the California Assessors' Association to amend Property Tax Rule 138, *Exemption for Aircraft Being Repaired, Overhauled, Modified or Serviced*. In response to the petition, the Board directed staff to work with interested parties to discuss the issues that were raised in the petition and to schedule the rule for the Property Tax Committee.

As a fact-gathering measure, enclosed is a questionnaire requesting information pertaining to the valuation and assessment of commercial aircraft prior to and after implementation of Property Tax Rule 138, as it is now written. This questionnaire is also posted to the Board's Web site at [www.boe.ca.gov/proptaxes/ptr138.htm](http://www.boe.ca.gov/proptaxes/ptr138.htm). Additionally, you may obtain a hard copy of this questionnaire from James Anderson at (916) 323-5688 or James.Anderson@boe.ca.gov. **The completed questionnaires should be returned no later than July 30, 2004.**

The project is tentatively scheduled to proceed as follows:

- July 30, 2004: Deadline for interested parties to submit completed questionnaires.
- August 2004: Staff to post a copy of a matrix summarizing comments received from interested parties in response to Letter To Assessor 2004/032.
- September 9, 2004: Staff to meet with interested parties to discuss the proposed amendments.
- December 14, 2004: Property Tax Committee to consider petition to amend the rule.

All documents regarding this project will be posted to the Board's Web site at [www.boe.ca.gov/proptaxes/ptr138.htm](http://www.boe.ca.gov/proptaxes/ptr138.htm). If you have questions regarding this project or would like to receive future documents concerning this project electronically, you may contact Mr. Anderson at (916) 323-5688.

Sincerely,

/s/ Dean R. Kinnee

Dean R. Kinnee, Chief  
Assessment Policy and Standards Division

DRK:ja  
Enclosure

OFFICE \_\_\_\_\_

COUNTY \_\_\_\_\_

**Questionnaire Regarding the Implementation of Property Tax Rule 138,  
Exemption of Aircraft Being Repaired, Overhauled, Modified or Serviced**

**SECTION 1 – To be completed by all county assessors**

1. Does your county have an airport providing commercial airline services?

Yes

No – Please skip to Section 5; Kern and San Bernardino Counties see Section 2.

2. What was the total commercial aircraft roll value for the following lien dates:

2001 \$ \_\_\_\_\_ Total # of aircraft assessed \_\_\_\_\_

2002 \$ \_\_\_\_\_ Total # of aircraft assessed \_\_\_\_\_

2003 \$ \_\_\_\_\_ Total # of aircraft assessed \_\_\_\_\_

Comments: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

3. Apart from any other factors (e.g., industry-wide economic decline, travel restrictions, etc.), what, if any, was the impact on the roll values listed in question 2 as a result of the removal of specific aircraft from the revenue-generating operational fleet? For example, did the total commercial aircraft roll values increase, decrease, or remain the same as the result of the certified aircraft not being valued under Section 401.15 or not being included in Section 1152, because they were being repaired, overhauled, modified or serviced? Can you offer any explanation as to why the values increased/decreased or remained the same?

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**SECTION 2 – To be completed by Kern and San Bernardino County Assessors**

4. How many certificated aircraft not in revenue service were located in your county *prior* to the passage of Property Tax Rule 138? Of these aircraft, how many were assessed as general aviation aircraft (100 percent of value)?

	<u>Number in County</u>	<u>Number Assessed General Aviation</u>
Data for 1999:	_____	_____
Data for 2000:	_____	_____
Data for 2001:	_____	_____

How many certificated aircraft not in revenue service are/were located in your county *following* the passage of Property Tax Rule 138?

Data for 2002: \_\_\_\_\_  
Data for 2003: \_\_\_\_\_  
Data for 2004: \_\_\_\_\_

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

5. Apart from other factors (e.g., industry-wide economic declines, travel restrictions, etc.), what was the impact of Property Tax Rule 138 on the valuation of certificated aircraft not in revenue service located at the airports within your county? For example, did the total of these aircraft values increase, decrease, or remain the same as the result of these certificated aircraft being treated as exempt because they were being repaired, overhauled, modified or serviced?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

6. What, if any, was the impact on the valuation of property/equipment used by those firms located and providing service at the airport location where these certificated aircraft not in revenue service are located? For example did the values increase, decrease, or remain the same?

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**SECTION 3 – To be completed by airport operators where the aircraft are/were located**

7. What impact, if any, did the airlines placing aircraft at your facility have on your business, either in regard to income generated or to additional personnel hired?

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Briefly describe the type of maintenance being performed on the aircraft located at your facility. For example, the extent of the maintenance being performed, the frequency of this maintenance/repairs, and the overall purpose of this maintenance program.

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**SECTION 5 – To be completed by everyone**

Questionnaire

Prepared by: \_\_\_\_\_

Address: \_\_\_\_\_

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Telephone: \_\_\_\_\_

Fax: \_\_\_\_\_

Email: \_\_\_\_\_

Please return completed questionnaire by July 30, 2004 to:

Mr. James Anderson  
State Board of Equalization  
Property and Special Taxes Department  
Assessment Policy and Standards Division  
P. O. Box 942879  
Sacramento, CA 94279-0064