

M e m o r a n d u m

To: Mr. Ramon J. Hirsig
Executive Director

Date: October 31, 2007

From: 
Mickie Stuckey, Acting Deputy Director
Property and Special Taxes Department

Subject: ***Fractionally Owned Aircraft Forms***
(November 15, 2007 Administrative Consent Agenda)

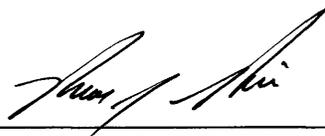
Effective August 24, 2007, Senate Bill 87 (Stats. 2007, Ch. 180) was signed by the Governor as an urgency statute as a budget trailer bill. The bill, among other things, established streamlined property tax administration procedures to use in the assessment of fractionally owned aircraft using a centralized approach whereby the manager in control of an aircraft fleet would file a single property statement with a designated lead county. The legislation also provides for coordinated multi-county audits.

Revenue and Taxation Code section 452 requires that the Board prescribe the language for the business property statement used by local county assessors. Accordingly, attached are two proposed forms to implement the procedures for the assessment of fractionally owned aircraft:

- Form BOE-570-FO-1, *Supplementary Schedule to the Business Property Statement – Aircraft Cost Report*, and instructions
- Form BOE-570-FO-2, *Supplementary Schedule to the Business Property Statement – Aircraft Value Computation*, and instructions

The proposed forms were reviewed by the Aircraft Subcommittee of the California Assessors' Association. Please place these items on the Board's November 15, 2007 Administrative Consent Agenda for approval.

DJG:sk
Attachments
cc: Ms. Diane Olson

Approved: 
Ramon J. Hirsig, Executive Director

BOARD APPROVED
at the _____ Board Meeting

Diane Olson, Chief
Board Proceedings

INSTRUCTIONS FOR COMPLETING FORM BOE-570-FO-1

Using a separate sheet for each aircraft type as described in California Code of Regulations, Title 18, section 202, list name of carrier, county in which the airport is located, airport name, and the lien date. Fill in the columns in the following manner:

- Column A.** Identify ownership type for each aircraft. Enter by using the following codes: "O" for fractionally owned per FAA registration or "M" for managed but not fractionally owned per FAA registration.
- Column B.** Enter the Aircraft's Federal Aviation Administration (FAA) number.
- Column C.** Enter the manufacturer's aircraft serial number.
- Column D.** Enter the make (manufacturer's name) and model number of each aircraft.
- Column E.** Enter the manufacture date of the aircraft.
- Column F.** Enter the delivery date of the aircraft to the current owner(s).
- Column G.** Enter the taxpayers' cost for that individual aircraft reported in accordance with generally accepted accounting principles, so long as that produces net acquisition cost. Also include any transportation costs, capitalized interest, and any capital additions or modifications not included in the taxpayer's cost that are incurred as part of this transaction.
- Column H.** Segregate the cost of the improvements to aircraft, including transportation costs, capital additions, and modifications not included in Column G.
- Column I.** Segregate the cost not included in Column G.
- Column J.** *(Assessor's Use Only)*
- Column K.** *(Assessor's Use Only)*

INSTRUCTIONS FOR COMPLETING FORM BOE-570-FO-2

Complete general information listing name of carrier, county in which the airport is located, airport name, and previous calendar year nonscheduled flight activity. Fill in the columns in the following manner:

- Column A.** List the aircraft type from BOE-570-FO-1 for activity of the aircraft for piston powered and turboprop aircraft.
- Column B.** Enter the total arrivals and departures of this type of aircraft at this airport only for the prior calendar year.
- Column C.** Enter the total arrivals and departures of this type of aircraft system wide for the prior calendar year.
- Column D.** Calculate by dividing the number of arrivals and departures of all aircraft at this airport in Column B by the total number of arrivals and departures in Column C.
- Column E.** The taxable value of the operator's entire fleet of each type of aircraft will be determined by the Assessor reported on BOE-570-FO-1 and entered into this column.
- Column F.** The Assessor will multiply the total factor in Column D by the taxable value in Column E and enter the result here.
- Column G.** *(Assessor's Use Only)*