September 4, 1987

TO COUNTY ASSESSORS:

EXEMPTION FOR AIRCRAFT OF HISTORICAL SIGNIFICANCE

No. 87/67

Chapter 267 of the Statutes of 1987 (Senate Bill 95) was signed by the Governor July 24, 1987. This law adds Section 220.5 to the Revenue and Taxation Code. Newly exempted from property taxation by Senate Bill 95 are aircraft of “historical significance.”

Historically significant aircraft are defined by Section 220.5 as follows:

“Aircraft of historical significance” means any aircraft which is an original, restored, or replica of a heavier than air powered aircraft which is 35 years or older or any aircraft of a type or model of which there are fewer than five in number known to exist worldwide.

The exemption shall only apply if all of 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.

(3) The aircraft is 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. If the aircraft was first made available for public display less than 12 days prior to the lien date, the exemption may be granted if the claimant certifies in writing that the aircraft will be made available for public display at least 12 days during the 12-month period commencing with the first day the property was made available for public display.

An individual owner as referenced in (1) above is a live person, not a legal entity such as a corporation or partnership.

A fee of thirty-five dollars ($35) shall be charged and collected by the assessor upon the initial application for an exemption pursuant to Section 220.5. An annual affidavit is required for exemption although the $35 fee is only required upon initial application in any given county.

The claimant shall provide all information required and answer all questions contained in an affidavit furnished by the assessor. The claimant shall sign and swear to the accuracy of the contents of the affidavit before either a
notary public or the assessor or his or her designee, at the claimant’s option. The assessor may require additional proof of the information or answers provided in the affidavit before allowing the exemption.

A draft affidavit form has been prepared and will be presented to the Forms Subcommittee on September 10, 1987. The form must then be Board approved. We anticipate approval and distribution of the form by mid-October.

This law has an effective date of January 1, 1988. However, language in Section 2 of this act states that the law applies to the 1987-88 fiscal year (and fiscal years thereafter). Since exemptions for a specific lien date are claimed for the ensuing fiscal year, this law affects property that qualifies for exemption as of March 1, 1987.

Language within the bill did not address a time frame for filing an affidavit to claim the exemption for fiscal year 1987-88. Lacking specific language an applicant will have four years to claim the exemption for fiscal year 1987-88.

A copy of the chaptered bill is enclosed for your convenience. If you have any questions, please contact our Business Technical Services Section at (916) 445-4982.

Sincerely,

Verne Walton, Chief
Assessment Standards Division

VW:wpc
Enclosure
AL-17-0042M