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March 9, 2004

TO COUNTY ASSESSORS AND INTERESTED PARTIES:

No. 2004/012

EXEMPTION FOR AIRCRAFT OF HISTORICAL SIGNIFICANCE
CERTIFICATE OF ATTENDANCE REQUIREMENT

Four previous Letters To Assessors (LTA's) have been issued on the Historical Aircraft Exemption: LTA's 87/67, 88/36, 89/84 and 2002/90. These LTA's announced passage of the exemption, identified the applicable statutory provisions, discussed implementation procedures, announced adoption of a statutory time frame for annual filing for the exemption, and provided additional clarifying information about subdivisions (b) and (c) of Revenue and Taxation Code section 220.5. LTA 2002/90 consolidated the issues identified in the earlier LTA's, and clarified the meaning of the term "general transportation." LTA 2002/90 superseded all of the prior LTA's regarding this topic.

In the continued interest of promoting uniformity in the application of the exemption, this Letter To Assessors is intended to provide guidance regarding the new "certificate of attendance" requirement, and to supplement Letter To Assessors No. 2002/90, dated December 20, 2002.

Senate Bill 1059 (Stats. 2003, Ch. 604) went into effect January 1, 2004. Among its other provisions, Senate Bill 1059 amended subdivision (b)(3) of section 220.5 of the Revenue and Taxation Code by adding a requirement for a claimant to provide an attendance certificate for each event at which the aircraft was displayed during the prior year. This provision is set forth as follows:

When applying for an exemption pursuant to this section, the claimant shall attach to that application a certificate of attendance from the event coordinator of the event at which the aircraft was displayed as required by this paragraph.

Because the legislation was approved and chaptered in the fall, most aircraft owners were unaware that they would be subject to the certification of attendance requirement during the prior spring and summer when most display events occur. Therefore, we advise assessors to recognize that the requirement became effective after most aircraft had already been displayed at various times during 2003 and to waive the requirement for lien date 2004 claims.

In addition, to afford historical aircraft exemption claimants a reasonable opportunity to comply with this new requirement, we suggest assessors do the following:

- (1) Advise historical aircraft owners of the new requirement.
- (2) Make available to historical aircraft owners a certificate of attendance form that may be used in lieu of attendance certificates from individual events. A sample form, provided by the California Assessors' Association, is enclosed.
- (3) Inform historical aircraft owners that, for purposes of claiming the exemption for lien date 2005, certificates of attendance must be completed for displays attended in 2004 and must be provided with the historical aircraft exemption application.

For lien date 2004, applications for historical aircraft exemption should be processed in the same manner as in prior years. Implementation of the amendments enacted by SB 1059 has been discussed with the California Assessors' Association (CAA) Business Property Subcommittee. The recommendation of the CAA regarding administration of the certificate of attendance requirement for lien dates 2004 and 2005 is consistent with the guidance outlined above.

If you have any questions, please contact Lloyd B. Allred of our Technical Services Unit at (916) 324-7361.

Sincerely,

/s/ David J. Gau

David J. Gau
Deputy Director
Property and Special Taxes Department

DJG:ja
Enclosure