

**DEPARTMENT OF TAXATION  
2006 Fiscal Impact Statement**

1. **Patron** Kathy J. Byron

2. **Bill Number** HB 862

3. **Committee** Senate Finance

**House of Origin:**

           **Introduced**

           **Substitute**

           **Engrossed**

4. **Title** Local Property Tax: Separate Classification  
For Aircraft Weighing Over Ten Tons

**Second House:**

  X   **In Committee**

           **Substitute**

           **Enrolled**

**5. Summary/Purpose:**

This bill would create a separate classification for local property tax purposes for aircraft having a gross empty weight equal to or greater than 20,000 pounds and that are **not** owned and operated by a scheduled air carriers operating under a certificate of convenience and necessity issued by the SCC or the Civil Aeronautics Board.

This bill contains an emergency clause and would be effective from its passage, retroactive to January 1, 2006.

6. **Fiscal Impact Estimates are:** Not available. (See Line 8.)

7. **Budget amendment necessary:** No.

**8. Fiscal implications:**

This bill would have no impact on state revenues. Unless a locality elects to change the tax rate applicable to this class of aircraft having an empty weight of 20,000 pounds or greater, from the current rate at which is assessed, there would be no effect on local revenues.

**9. Specific agency or political subdivisions affected:**

All localities.

10. **Technical amendment necessary:** No.

**11. Other comments:**

For tax rate purposes, this bill would provide a separate classification of tangible personal property for any aircraft having an empty weight of 20,000 pounds or more and **not** owned and operated by a scheduled air carrier operating under a certificate of convenience and necessity from the SCC or the Civil Aeronautics Board. Currently, there are separate

classifications for (1) aircraft with a passenger seating capacity of no more than fifty that are owned and operated by a scheduled air carrier with SCC or Civil Aeronautics Board, and (2) all other aircraft and flight simulators. Currently, there are thirty-three categories of property that are classified as separate classes of property that can be taxed at a rate not to exceed the general rate imposed on tangible personal property. This bill would provide a third separate classification for aircraft.

#### Similar Legislation

**Senate Bill 521** is identical to this bill, except that it would be effective in due course.

cc : Secretary of Finance

Date: 02/14/2006 WBS  
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