

**DEPARTMENT OF TAXATION  
2007 Fiscal Impact Statement**

**1. Patron** Kenneth W. Stolle

**2. Bill Number** SB 1171

**3. Committee** House Finance

**House of Origin:**

☐ Introduced

☐ Substitute

☐ Engrossed

**4. Title** Personal Property Tax: Separate  
Classification For Certain Aircraft

**Second House:**

☒ In Committee

☐ Substitute

☐ Enrolled

**5. Summary/Purpose:**

This bill would create a separate classification of tangible personal property for aircraft that are (i) considered Warbirds, manufactured and intended for military use, excluding those manufactured after 1954, and (ii) used only for (a) exhibit or display to the general public (including such flights as are necessary for testing, maintaining, or preparing such aircraft for safe operation), or (b) air show and flight demonstrations (including such flights as are necessary for testing, maintaining, or preparing such aircraft for safe operation). Aircraft used for commercial purposes, including transportation and other services for a fee, are not included in this classification.

The effective date of this bill is not specified.

**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 property from the current rate at which it 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:

### Background

Currently, there are thirty-five categories of tangible personal property that are classified as separate classes of property for rate purposes. There are currently 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; (2) 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 recognized under federal law; and (3) all other aircraft and flight simulators.

### Proposal

For tax rate purposes, this bill would provide a separate classification of tangible personal property for aircraft that are (i) considered Warbirds, manufactured and intended for military use, excluding those manufactured after 1954, and (ii) used only for (a) exhibit or display to the general public (including such flights as are necessary for testing, maintaining, or preparing such aircraft for safe operation), or (b) air show and flight demonstrations (including such flights as are necessary for testing, maintaining, or preparing such aircraft for safe operation). Aircraft used for commercial purposes, including transportation and other services for a fee, are not included in this classification.

### Similar Legislation

**House Bill 2013** would provide a separate classification of tangible personal property for any aircraft that is at least 50 years old and is used only for (i) exhibit or display to the general public (including such flights as are necessary for testing, maintaining, or preparing such aircraft for safe operation), or (ii) air show and flight demonstrations (including such flights as are necessary for testing, maintaining, or preparing such aircraft for safe operation). Aircraft used for commercial or private general transportation are not included in this classification.

**Senate Bill 1172** would provide an aircraft sales and use tax exemption for aircraft that are (i) considered Warbirds, manufactured and intended for military use, excluding those manufactured after 1954, and (ii) used only for (a) exhibit or display to the general public (including such flights as are necessary for testing, maintaining, or preparing such aircraft for safe operation), or (b) air show and flight demonstrations (including such flights as are necessary for testing, maintaining, or preparing such aircraft for safe operation). Aircraft used for commercial purposes, including transportation or other purposes for a fee, would not qualify for this exemption. The aircraft sales and use taxes on such aircraft would be deferred for ten years, and abated after the ten years has elapsed, unless the Director of the Department of Aviation determines that the aircraft was used for purposes not allowed under the exemption.

cc : Secretary of Finance

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