APPENDIX 6:

NBAA State Tax Data

State Aviation Taxes: Colorado

Updated October 3, 2013

Sales and Use Tax

Tax Rate

Rate	Reference
2.9% (State) and .0% to 7.1% (combined state-collected by local county/city) 1	See Note Below

Exemptions

Exemption	Available?	Reference 8
Fly-Away 2	Yes	39-26-711.5
Purchase for Resale (Inventory)	Yes	Reg 39-26-713.2(b)
Purchase for Resale (Lease) 3	Limited	39-26-102(23); 39-26-713(1)(a)
Commercial Operations 4	Limited	39-26-711
Casual/Occasional/Isolated Sale 5	No	39-26-718
Special Use Tax Rules/Exemptions	N/A	N/A
Trade-In Credit	Limited	39-26-104(1)(b)
Lease Payments (lease with crew)	Yes	Reg 39-26-102.23
Lease Payments (lease without crew) 3	Limited	39-26-713(1)(a); 39-26.102(23)
Repair Parts 6	Limited	39-26-711
Repair Labor 7	Yes	39-26-104

Fuel Taxes

Jet Fuel

- Excise Tax: 0.04/gal
- Sales Tax: 2.9%
- Exemptions/Refunds: Excise only commercial airlines, Certain state licensed agriculture applicator aircraft
- References: 39-27-102(1)(a)(iv)(A&B); 39-27-111

Aviation Gasoline Tax

- Excise Tax: 0.06/gal
- Sales Tax: N/A
- Exemptions/Refunds: Air carriers and commuter airlines only
- References:39-27-102.1(a)(IV)

Aircraft Registration Fees

- No aircraft registration fees

Personal Property Tax

- No personal property tax on aircraft

Notes

1 Some cities in Colorado, called home-rule cities, collect their own sales tax, not collected through the state. Can range from 1.8-5.5%.

2 The purchaser of the aircraft must provide an affidavit that it is not a resident of the state. The aircraft must be removed from the state within 120 days after the date of the sale and must not be in the state more than 73 days in any of the three calendar years following the calendar year in which the aircraft was removed. 39-26-711.5.

3 The Dept. of Revenue may permit (optional) a lessor of tangible personal property leased for a period of three years or less to acquire such property free of sales and use tax if the lessor agrees to collect sales tax on all lease payments received on such property. CRS 39-26-713(1)(a). For a lease period with continuous possession or use of longer than three years and such transfer would be taxable if outright sale were made, the sales tax is paid on the lease payment stream. CRS 39-26.102(23).

4 Exemption limited to commercial airlines operating in interstate commerce.

5 Exemption limited to charitable organizations.

6 Must be permanently affixed to the aircraft or attached as a component part.

7 Not taxable if separately billed

8 Links to the Colorado Statutes can be found at: http://www.lexisnexis.com/hottopics/Colorado/. To obtain the statutes, first click on the Colorado revised statutes tab. For example, to find CRS 39-26-104, click on Title 39, then Article 26 and finally section 39-26-104. The regulations have a hyperlink to the applicable webpage.

State Aviation Taxes: Florida

Updated October 4, 2013

Sales and Use Tax

Tax Rate

Rate	Reference
6% plus local option tax 1, 2	212.05(1)(a)1

Exemptions

Exemption	Available?	Reference
Fly-Away	Yes 2	212.05(1)(a)2; 212.08(11)
Purchase for Resale (Inventory)	Yes 3	212.06(13); 12A-1.071(2)(a)
Purchase for Resale (Lease)	Yes 3	212.06(13); 12A-1.071(2)(a)
Commercial Operations	Limited 4, 5	212.08(7)(ss); 212.0598; 220.151(2)(c)
Casual/Occasional/Isolated Sale	No	212.05(1)(a)
Related Party Transactions	N/A	N/A
Special Use Tax Rules/Exemptions	Yes	212.06(8)(a)
Trade-In Credit	Limited 6	12A-1.074
Lease Payments (lease with crew)	No 7	12A-1.071(2)(b), 212.06(13)
Lease Payments (lease without crew)	Yes 8	12A-1.071, 212.06(8)(a)
Repair Parts	Limited 9	212.08(5)(i), 212.08(7)(rr)
Repair Labor	Limited 10	212.08(7)(ee)
Fabrication Parts and Labor	No	N/A
Other Exemptions		
• Transportation by Air	Yes 8	12A-1.071(9)(d)
• Non-Resident Use	Limited 11	212.08(7)(ggg)
• Fractional Aircraft	Limited 12	212.08(7)(hhh)

Fuel Taxes

Jet Fuel

- Excise Tax: 0.069/gal
- Sales Tax: N/A
- Exemptions/Refunds: None
- References: 206.9825(1)(a)

Aviation Gasoline Tax

- Excise Tax: 0.069/gal
- Sales Tax: N/A
- Exemptions/Refunds: None
- References: 206.9825(1)(a)

Aircraft Registration Fees

- No aircraft registration fees in Florida. Aircraft must be registered in accordance with FAA regulations. Florida does not require a separate state registration for aircraft.

Personal Property Tax

- No personal property tax in Florida.

Notes

1 In general: All aircraft sold in Florida are subject to a 6% sales tax, plus the local discretionary tax (a maximum of 1.5% of the first $5,000 of the sales price), if applicable, unless the transaction is specifically exempted by law. An aircraft purchased in another state or foreign country that is imported and based in Florida is subject to 6% use tax, unless specifically exempted. Florida will allow credit for sales or use taxes paid in another state, U.S. territory or the District of Columbia, if the aircraft later becomes subject to Florida tax. Aircraft purchased in a foreign country and imported to Florida is subject to Florida's use tax, regardless of any foreign taxes paid.

2 Anyone who purchases an aircraft tax-exempt under the nonresident removal provisions of the Florida Statutes must pay use tax, interest, and a penalty equal to the tax due if the aircraft is not removed within 10 days of the date of purchase; or removed within 20 days after repairs are completed. Any purchaser who fails to furnish all required documentation showing proof of removal from the state shall be liable for use tax on the cost price of the aircraft plus payment of a penalty equal to the tax payable (100% penalty).

3 212.06(13) Registered aircraft dealers who purchase aircraft exclusively for resale and do not pay sales tax on the purchase price at the time of purchase shall pay a use tax computed on 1% of the value of the aircraft each calendar month that the aircraft is used by the dealer. Payment commences in the month during which the aircraft is first used for any purpose for which income is received by the dealer. A dealer may pay sales tax on the aircraft purchase in lieu of the monthly use tax. The value of the aircraft shall include its acquisition cost and the cost of reconditioning that enhances the value of the aircraft shall generally be shown on the books of the dealer in accordance with generally accepted accounting principles. Notwithstanding the payment by the dealer of tax computed on 1% of the value of any aircraft, if the aircraft is leased or rented, the dealer shall collect from the customer and remit the tax that is due on the lease or rental of the aircraft; such payments do not diminish or offset any use tax from the dealer. Aircraft held for resale must not be depreciated for federal or state income tax reporting.

4 The sale of an aircraft of more than 15,000 lbs. MTOW for use by an airline operating under Part 121 or Part 129 is exempt.

5 Any air carrier utilizing mileage apportionment for corporate income tax purposes in Florida, pursuant to Chapter 220, F.S., may elect, upon the conditions prescribed in subparagraph (a)30, to be subject to the tax imposed by this part on tangible personal property, services and in certain instances, the lease or rental of, or license in, real property according to the provisions of this subsection. The basis of the tax shall be the ratio of Florida revenue mileage to total revenue mileage. F.S. 212.0598

6 If the sale and trade-in are a single transaction, the trade-in allowance may be deducted from the selling price. Only the net sale price is subject to Florida sales tax.

7 Aircraft purchased for lease to a flight school or for training are subject to sales tax on the entire cost of the aircraft at the time of purchase if sales tax is not collected by the flight school.

8 Transportation of persons or property by air is considered a “service” and is not subject to sales or use tax in Florida.

9 Effective January 1, 2013, replacement parts and equipment is exempt when used on fixed-wing aircraft with a MTOW of 2,000 lbs. or more, or a helicopter of 10,300 lbs. or more, when installed in Florida.

10 Effective January 1, 2013, maintenance labor charged for repair of a fixed-wing aircraft with a MTOW of 2,000 lbs. or more, or a helicopter of 10,000 lbs. or more, when installed in Florida.

11 A non-resident will be exempt from use tax if its aircraft enters and remains in the state for **no more than** a total of 20 days during the 6-month period after the date of purchase. This provision only applies to aircraft imported into Florida on or after July 1, 2010. If the nonresident’s aircraft enters Florida only for flight training, repairs, alterations, refitting, or modifications, the days the aircraft remains in Florida for these purposes do not count toward the nonresident’s 20-day allowance. Written documentation must be provided by in-state vendors or suppliers which clearly identifies the aircraft and the reason it was present in the state. Once

completed, any remaining time in the 20-day period will continue to run, unless another exemption applies. Repairs to aircraft are taxable unless specifically exempt.

12 Effective July 1, 2010, the maximum tax imposed on the sale or use of fractional aircraft ownership interests pursuant to a fractional aircraft ownership program is limited to $300. The tax applies only if the fractional ownership interest is sold by or to the program manager of the fractional aircraft ownership program, or if the fractional ownership interest is transferred upon the approval of the program manager of the fractional aircraft ownership program.

State Aviation Taxes: Indiana

Updated August 21, 2013

Sales and Use Tax

Tax Rate

Rate	Reference
7%	IC 6-2.5-2-2

Exemptions

Exemption	Available?	Reference
Fly-Away	Yes 1	I.C. 6-2.5-5-42; I.C. 6-6-6.5-9(a)(6); IC 6-2.5-3-2; Info Bulletin #74
Purchase for Resale (Inventory)	Yes	IC 6-2.5-5-8
Purchase for Resale (Lease)	Yes 2	IC 6-2.5-5-8(e); IC 6-2.5-5-8(h); Info. Bulletin #76
Commercial Operations	Yes	IC 6-2.5-5-27; IC 6-6-6.5-9(a)(4)
Casual/Occasional/Isolated Sale	No	I.C. 6-2.5-4-12; 45 IAC 2.2-1-1(d); Info Bulletin #20
Related Party Transactions	Limited	IC 6-2-5-5-8 (e)
Special Use Tax Rules/Exemptions	N/A	N/A
Other Exemptions		
• Public Transportation	Yes 3	IC 6-2.5-5-8(h)
Trade-In Credit	Yes	IC 6-2.5-3-6(e)
Lease Payments (lease with crew)	No	IC 6-2.5-4-16.2
Lease Payments (lease without crew)	Limited 2	IC 6-2.5-5-8 (e); Info Bulletin #76
Repair Parts	Yes 4	IC 6-2.5-5-46
Repair Labor	Limited 4	Info Bulletin #74; IC 6-2.5-5-46

Fuel Taxes

Jet Fuel

- Excise Tax: 0.10/gal (See Note 5)

- Sales Tax: Exempt
- Exemptions/Refunds: N/A
- Reference: IC 6-2.5-5-49; IC 6-6-13; Commissioner's Directive 49

Aviation Gasoline Tax

- Excise Tax: 0.10/gal (See Note 5)
- Sales Tax: Exempt
- Exemptions/Refunds: N/A
- Reference: IC 6-2.5-5-49; IC 6-6-13; Commissioner's Directive 49

Aircraft Registration Fees

- $10 annual registration fee. There is also an annual license excise tax based on criteria set forth in IC 6-6-6.5-13.
- References: IC 6-6-6.5-3; IC 6-6-6.5-12; IC 6-6-6.5-13; Form 7695

Personal Property Tax

- No personal property tax (See Note 6)
- Reference: IC 6-6-6.5-12

Notes

1 An aircraft owned by a resident of this state that is not a dealer and that is not based in this state at any time, if the owner files the required form not later than thirty-one days after the date of purchase. An aircraft owned by a dealer for not more than five (5) days if the ownership is part of an ultimate sale or transfer of an aircraft that will not be based in this state at any time. IC 6-2.5-5-42 was recently expanded to include aircraft brought to Indiana for completion work. See Info Bulletin #74.

2 Applies only to aircraft acquired after June 30, 2008, unless used predominantly for public transportation. A purchaser of an aircraft for rental or leasing must meet certain requirements before the purchase is exempt from the sales/use tax. An exemption will be granted on the purchase of the aircraft if the annual revenue derived from renting or leasing the aircraft is equal to or greater than 7.5% of the net acquisition price for the aircraft or the book value of the aircraft as published in the Vref Aircraft Value Reference (VAVR) guide for the aircraft. See Info Bulletin #76

3 Applies only to aircraft acquired after December 31, 2007. A transaction in which a person acquires an aircraft to rent or lease the aircraft to another person for predominant use in public transportation by the other person or by an affiliate of the other person is exempt from the state gross retail tax. The department may not require a person to meet the revenue threshold in subsection (e) with respect to the person’s leasing or rental of the aircraft to receive or maintain

the exemption. To maintain the exemption, the department may require the person to submit only annual reports showing that the aircraft is predominantly used to provide public transportation.

4 IC 6-2.5-5-46 was amended to repeal sales tax on aircraft maintenance and aircraft parts. Specifically transactions involving tangible personal property (including materials, parts, equipment, and engines) are exempt from the state gross retail tax, if the property is used, consumed, or installed in furtherance of, or in, the repair, maintenance, refurbishment, remodeling, or remanufacturing of an aircraft or an avionics system of an aircraft. The exemptions on aircraft maintenance and aircraft parts apply to a transaction only if the retail merchant, at the time of the transaction, possesses a valid repair station certificate issued by the Federal Aviation Administration under 14 CFR 145 et seq. or other applicable law or regulation.

5 IC 6.-2.5-5-49 eliminated aviation fuel from gross retail tax and established the aviation fuel excise tax. IC 6-6-13 creates an aviation fuel excise tax of $0.10 per gallon for aviation fuel purchased in Indiana. The retailer will add the tax to the selling price of each gallon of fuel sold. The sale of the fuel is exempt if it is placed into the supply tank of an aircraft owned by the U.S. or its instrumentalities, the state of Indiana, the Indiana National Guard, or a common carrier of passengers of freight. A purchaser of exempt fuel must present an exemption to the retailer. A retailer shall remit the tax to the department by the 16th day of the month following the calendar month in which the sales occurred. The retailer must remit the tax by EFT and may retain 1.6% of the tax collected for timely remittance. A person who knowingly fails to collect or timely remit the tax is subject to a penalty of 100% of the uncollected tax plus the amount of tax due. The aviation fuel excise tax that is collected will be deposited in the state general fund.

6 An annual license excise tax shall be in lieu of the ad valorem property tax. See Form 7695.

State Aviation Taxes: Louisiana

Updated October 11, 2013

Sales and Use Tax

Tax Rate

Rate	Reference
4%	47:302; 47:321; 47:331; LAC Title 61, Sec, 4303

Exemptions

Exemption	Available?	Reference
Fly-Away	Limited 1	47:301(10)(m); 47:305.10(B)
Purchase for Resale (Inventory)	Yes	47:301(10)(a)(iii)
Purchase for Resale (Lease)	Yes	47:302(B); 47:301(10)(a)(iii)
Commercial Operations	Limited	47:301(10)(k)
Casual/Occasional/Isolated Sale	Yes	47:301(1)
Related Party Transactions	N/A	N/A
Special Use Tax Rules/Exemptions	N/A	N/A
Trade-In Credit	Yes	47:301(13)
Lease Payments (lease with crew)	No	Sales Tax Overview
Lease Payments (lease without crew)	No	Sales Tax Overview
Repair Parts	Limited 2, 3	47:301(10)(k); 47:301(14)(g)(i)(bb)
Repair Labor	Limited 3, 4	47:301(14)(g)(i)(bb)
Fabrication Parts and Labor	N/A	N/A
Other Exemptions		
• Interstate Commerce	Yes	Rev. Ruling 07-002
• Mileage Apportionment	Yes	47:306.1; 47:306.2

Fuel Taxes

Jet Fuel

- Excise Tax: None
- Sales Tax: 4%
- Exemptions/Refunds: Limited 5
- References: 47:715

Aviation Gasoline Tax

- Excise Tax: None 6
- Sales Tax: 1% 7
- Exemptions/Refunds: Limited
- References: 47:818.14(A)(3) (Exemption); 47:818.15(A)(2) (Refund); 47:305(D)(1)(a) (Sales Tax)

Aircraft Registration Fees

- No aircraft registration fees in Louisiana

Personal Property Tax

- Yes – Imposed by individual parishes. Refer to taxing districts (Title 61, Part IV, Chapter 15 Section 1501(a), Statute 47:6001 & 47:1707)

Notes

1 Must be a Louisiana manufactured passenger aircraft with a seating capacity in excess of 50 persons.

2 A sale at retail shall not include the sale of airplane equipment or parts to a commuter airline domiciled in Louisiana.

3 Charges for the furnishing of repairs to tangible personal property may be excluded from sales of services when the repaired property is delivered to the customer in another state by common carrier or the repair dealer's own vehicle; however, as to aircraft delivery may be by the best available means.

4 Taxable services shall include the furnishing of repairs to tangible personal property including, but not restricted to, the repair and servicing of automobiles and other vehicles. Repair labor to aircraft is taxable under this statute.

5 The Federal government, state and local governments and the U.S. Military are exempt from the sales tax. Inspection fee of $0.00125 per gallon. See: 47:715; 4:4684

6 Louisiana exempts aviation gasoline from the excise tax. Operators of aircraft are entitled to a refund of excise tax paid on gasoline used in the aircraft. The operator must first register using form R-5369. After purchasing the fuel from a "registered refund dealer" and within 6 months of invoice date the operator submits form R5334 for refund.

7 Gasoline is subject to state sales tax when it is not subject to the fuel excise tax. R.S. 47:305(D)(1)(a) exempts all gasoline from sales tax. However, the exemption is partially suspended for state sales tax indefinitely, making aviation gasoline subject to 1% sales tax. The exemption remains in effect for local sales tax.

State Aviation Taxes: Ohio

Updated August 21, 2013

Sales and Use Tax

Tax Rate

Rate	Reference
5.75% (See Note 1)	5739.02 (a)(1)

Exemptions

Exemption	Available?	Reference
Fly-Away	No	N/A
Purchase for Resale (Inventory)	Yes	OCR 5739.01(E); Reg 5703-9-04
Purchase for Resale (Lease)	Yes	OCR 5739.01(E); Reg 5703-9-04
Commercial Operations	Limited 2	OCR 5739.02(B)(44); OCR 5739.01(B)(3)(b); OCR 5739.01(B)(3)(r)
Related Party Transactions	N/A	N/A
Special Use Tax Rules/Exemptions	N/A	N/A
Trade-In Credit	No	N/A
Lease Payments (lease with crew)	Yes	ORC 5739.02(B)(11)
Lease Payments (lease without crew)	No 3	ORC 5739.02(A)(2)
Repair Parts	Yes 4	ORC 5739.02(B)(49); ORC 5739.02(B)(44); ST-2804
Repair Labor	Yes 5	ORC 5739.02(B)(49); ORC 5739.02(B)(44); ST-2804

Fuel Taxes

Jet Fuel

- Excise Tax: Exempt
- Sales Tax: 5.75% plus local tax
- Exemptions/Refunds: ORC 5735.05(A)(7)

Aviation Gasoline Tax

- Excise Tax: Exempt
- Sales Tax: 5.75% plus local tax
- Exemptions/Refunds: ORC 5735.05(A)(7)

Aircraft Registration Fees 6

- Annual Fee is based on maximum seating capacity: $15 per seat. Gliders and Balloons: $15.
- References: ORC 4561.18 (D)(1)

Personal Property Tax

- Yes, but exempt as long as aircraft is properly registered with the state.
- References: ORC 4561.18(F); ORC 5709.01(B)(2)

Notes

1 Effective September 1, 2013, the state sales and use tax rate changes from 5.5% to 5.75%. Review details about the rate change.

2 Exemption applies to airlines offering scheduled service to the general public for published rates. Commercial passenger airlines that operate under a “Certificate of Public Convenience and Necessity” issued by the United States Department of Transportation (under 49 U.S.C. 41102) are considered public utilities under ORC 5739.01(P).

3 Used by the lessee or renter primarily for business purposes, the tax shall be collected by the vendor at the time the lease or rental is consummated.

4 Exemption applies to all general aviation aircraft and those over 6000 pounds certificated takeoff weight AND Exemption applies to fractional ownership programs.

5 Ohio has an aircraft "license tax" instead of a "registration fee."

State Aviation Taxes: Tennessee

Updated August 13, 2013

To view references to the Tennessee Code (Tenn. Code Ann.), visit the free LexisNexis site.

Sales and Use Tax

Tax Rate

Rate	Reference
7.0% plus local option from 1.50% to 2.75% (See Note 1)	Tenn. Code Ann. §67-6-202

Exemptions

Exemption	Available?	Reference
Fly-Away	Yes 2	Tenn. Code Ann. §67-6-313(h)(1)(A)
Purchase for Resale (Inventory)	Yes	Tenn. Code Ann. §67-6-102(78); §67-6-102(77)(A); Tenn. Comp. R. & Regs. §1320-5-1-.62; §1320-5-1-.68
Purchase for Resale (Lease)	Yes	Tenn. Code Ann. §67-6-102(78); §67-6-102(77)(A); Tenn. Comp. R. & Regs. §1320-5-1-.62; §1320-5-1-.68
Commercial Operations	Yes 3	Tenn. Code Ann. §67-6-302(a)
Special Use Tax Rules/Exemptions	N/A	N/A
Other Exemptions		
• Casual/Occasional/Isolated Sale	No 4	Tenn. Code Ann. §67-6-102(9)(C); Tenn. Comp. R. & Regs. §320-5-1-.09(1)
• Related Party Transfers	No 5	Tennessee Letter Ruling 02-14
Trade-In Credit	Yes 6	Tenn. Code Ann. §67-6-102(81)(B)(iv); §67-6-510
Lease Payments (lease with crew)	Yes	Tenn. Comp. R. & Regs. 1320-5-1-.32(5); Tennessee Letter Ruling 07-32
Lease Payments (lease without crew)	No	Tenn. Code Ann. §67-6-204(a); Tenn. Comp. R. & Regs. 1320-5-1-.32(5); Tennessee Letter Ruling 07-32

Repair Parts	Limited 7	Tenn. Code Ann. § 67-6-302; §67-6-347
Repair Labor	Limited 8	Tenn. Code Ann. § 67-6-302; §67-6-313(h)(1)(D)
Fabrication Parts and Labor	N/A	N/A

Fuel Taxes

Jet Fuel

- Excise Tax: $0.014 (includes $0.004 Environmental Assurance Fee)
- Sales Tax: 4.50% (See Note 9)
- Exemptions/Refunds: (See Note 10)
- References: Tenn. Code Ann. §67-3-203; §68-215-110 (Excise Tax); Tenn. Code Ann. §67-6-217 (Sales Tax); Tenn. Code Ann. §67-6-349 (Exemptions)

Aviation Gasoline Tax

- Excise Tax: $0.014 (includes $0.004 Environmental Assurance Fee)
- Sales Tax: 4.50% (See Note 9)
- Exemptions/Refunds: (See Note 10)
- References: Tenn. Code Ann. §67-3-203; §68-215-110 (Excise Tax); Tenn. Code Ann. §67-6-217 (Sales Tax); Tenn. Code Ann. §67-6-349 (Exemptions)

Aircraft Registration Fees

- No aircraft registration fees in Tennessee

Personal Property Tax

- All partnerships, corporations, other business associations not issuing stock, and individuals operating for profit as a business or profession shall file a personal property tax schedule. with their county assessor.
- References: Tenn. Code Ann. §67-5-901; §67-5-903; Division of Property Assessments

Notes

1 Tennessee imposes an additional tax on the sale or use of any single article of personal property in the amount of $1,600, but less than or equal to $3,200. The amount from $1,601 to $3,200 will be taxed at a uniform rate of 2.75%. The single article cap only applies to the sale of tangible personal property and does not apply to the sale of services (See Tenn. Code §67-6-202(a)). Local option tax of 1.50% to 2.75% is also possible. See local option rates.

2 Sales of aircraft and related equipment to nonresidents are exempt when the aircraft and equipment are intended to have a situs outside of Tennessee, and are removed from Tennessee within 15 days after purchase.

3 There is no statutory exemption for aircraft owned by carriers that operate exclusively within the state (See Tenn. Comp. R. & Regs. §1320-5-1-.09).

4 Sales and transfers of aircraft are exempt, if the transactions occur between persons who are married, lineal relatives or spouses of lineal relatives, or siblings (See Tenn. Code Ann. §67-6-102(9)(c)).

5 A transaction that transfers an aircraft to a related entity recognized as a separate entity under the Tennessee Code is subject to sales and use tax.

6 A transaction structured to defer gain recognition for federal income tax purposes under IRC §1031 are not viewed as a "trade-in".

7 The sale, use, storage or consumption of aircraft owned or leased by commercial interstate or international air carriers, and parts, accessories, materials and supplies sold to or used by commercial interstate or international air carriers for use exclusively in servicing and maintaining such carriers' aircraft, which aircraft are used principally in interstate or international commerce.

8 Repair and refurbishment on helicopters and airplanes and airplane components and parts with a situs outside the state that are removed from Tennessee within 15 days after the service is completed are exempt.

9 Effective July 1, 2013, sales tax on aviation fuel will be repealed and replaced with a “privilege tax” of 4.5% on to gross charges for the sale, use, consumption, distribution and the storage of aviation fuel used in the operation of airplane or aircraft motors (See Tenn. Code Ann. § 67-4-2701).

10 Effective July 1, 2013, sales tax on aviation fuel will be repealed and replaced with a “privilege tax” of 4.5% on to gross charges for the sale, use, consumption, distribution and the storage of aviation fuel used in the operation of airplane or aircraft motors (See Tenn. Code Ann. § 67-4-2701).

11 Contact Information: Michael A. Cosby, (417) 268-4110

State Aviation Taxes: Texas

Updated October 9, 2012

Sales and Use Tax

Tax Rate

Rate	Reference
6.25% plus city, county, and special-purpose district and tranfers- rates will vary, but will not exceed 2%	TCA 151.051

Exemptions

Exemption	Available?	Reference
Fly-Away	Yes 1	TCA 151.328(a)(4)
Purchase for Resale (Inventory)	Yes 2	TCA 151.006
Purchase for Resale (Lease)	Yes 2	TCA 151.006
Commercial Operations	Yes 3	TCA 151.328(a)(1)
Casual/Occasional/Isolated Sale	Yes 4	TCA 151.304; Rule 3.316(b)
Related Party Transactions	N/A	N/A
Special Use Tax Rules/Exemptions		
• Use Tax Exemption for aircraft based upon time in State	Yes 5	Rule 3.297(c)(3)
Trade-In Credit	Yes	TCA 151.007(c)(5)
Lease Payments (lease with crew)	Not Taxable 6	Rule 3.294; Sales and Use Tax Bulletin
Lease Payments (lease without crew)	Taxable	Rule 3.294; Sales and Use Tax Bulletin
Repair Parts	Taxable	Rule 3.292
Repair Labor	Yes	TCA 151.0101(a)(5)(A)
Fabrication Parts and Labor	Taxable	N/A

Fuel Taxes

Jet Fuel

- Excise Tax: N/A
- Sales Tax: N/A
- Exemptions/Refunds: None
- References: 162.204(6)

Aviation Gasoline Tax

- Excise Tax- State: N/A
- Sales Tax: N/A
- Exemptions/Refunds: None
- References: 162.104(6)

Aircraft Registration Fees

- No aircraft registration fees in Texas

Personal Property Tax

- Yes (See Note 6)
- References:TCA 11.01(personal property tax); TCA 21.055 (exempts a portion of the value of business aircraft); TCA 21.05 (allocation of commerical aircraft used in Texas); TCA 21.03 (interstate allocation); Rule 9.4033 (allocation of value); TCA 23.01 (appriasal)

Notes

1 The purchase of an aircraft is exempt if sold in Texas to a person for use and registration in another state or nation before any use of the aircraft is made in Texas other than flight training in the aircraft or the transportation of the aircraft out of this state. Form 01-907 must be completed at time of sale.

2 An owner renting or leasing aircraft must have a sales tax permit in order to purchase the aircraft tax-free for resale. The resale exemption applies to the purchase of property solely for lease or rental to others in the normal course of business. The current position of the Texas Comptroller is that, a lease between related parties is not “in the normal course of business” unless the monthly lease or rental income is approximately 1% of the aircraft cost.

3 The carrier must be authorized by the Federal Aviation Administration (FAA) to operate as a common or contract carrier and must use the aircraft exclusively to transport persons or property for hire in the regular course of business.

4 An “occasional sale” is one made by a person who does not habitually engage in the business of selling taxable items and who sells no more than two taxable items during a twelve-month period. To document the exemption, a purchaser should ask the seller to provide a signed statement that the transaction qualifies for the occasional sale exemption as defined in Rule 3.316(b).

5 An aircraft is not subject to use tax if it is hangared outside Texas and is used more than 50% outside of Texas.

6 Chartering an aircraft with pilot or crew is a non-taxable transportation service.

State Aviation Taxes: Washington

Updated October 18, 2013

Sales and Use Tax

Tax Rate

Rate	Reference
6.5% State plus 0.5%-3.0% local	RCW 82-08-020; RCW 82-14-030; RCW 82.04.050

Exemptions

Exemption	Available?	Reference
Fly-Away	Limited 1	RCW 82.08.020; RCW 82.08.0262; RCW 82-08-0273; WAC 458-20-193(6)(b)
Purchase for Resale (Inventory)	Limited 2	RCW 82.08.020(1)(a); RCW 82.04.050(1)(a)(i); RCW 82.08.130; RCW 82.04.470; RCW 82.32.780; WAC 458-20-211; WAC 458-20-10201
Purchase for Resale (Lease)	Yes 3	RCW 82-08-020(1)(a); RCW 82.04.050(1)(a)(i); RCW 82.04.060; RCW 82.08.090; RCW 82-08-130; RCW 82-04-470; RCW 82-32-780; WAC 458-20-211; WAC 458-20-10201; RCW 82.04.220; RCW 82.04.067; RCW 82.32.655
Commercial Operations	Limited 4	RCW 82-08-0262; WAC 458-20-175
Casual/Occasional/Isolated Sale	Limited 5	RCW 82-08-0251; WAC 458-20-106
Related Party Transactions	Limited 6	WAC 458-28-106
Special Use Tax Rules/Exemptions	N/A	N/A
Trade-In Credit	Yes 7	RCW 82-08-010, WAC 458-20-247
Lease Payments (lease with crew)	Limited 8	RCW 82-08-020(1)(a); RCW

		82-04-050(9); WAC 458-20-211; RCW 82.08.0262
Lease Payments (lease without crew)	N/A	N/A
Repair Parts	Limited 9	RCW 82-08-0262; RCW 82-08-0265
Repair Labor	Limited 9	RCW 82-08-0262; RCW 82-08-0265
Fabrication Parts and Labor	N/A	N/A

Fuel Taxes

Jet Fuel

- Excise Tax: $0.11/gal
- Sales Tax: 6.5% State plus 0.5%-3.0% local
- Exemptions/Refunds: Interstate Commerce
- References: RCW 82-42-030, RCW 82-42-020, WAC 308-78-045

Aviation Gasoline Tax

- Excise Tax: $0.11/gal
- Sales Tax: 6.5% State plus 0.5%-3.0% local
- Exemptions/Refunds: Interstate Commerce
- References: RCW 82-42-030, RCW 82-42-020, WAC 308-78-045

Aircraft Registration Fees

- $35-$140 per year (see fee schedule)
- Reference: RCW 82-48-020; RCW 82-48-030; RCW 82-48-100
- See Note 10

Personal Property Tax

- Limited (See Note 11)
- References: RCW 82-48-110; RCW 84.12.200(3); 84.12.360(3)

Notes

1 Limited to non-residents from states or Canadian providences that charge 3 percent or less sales or use tax, or from states charging higher rates that permit Washington residents exemption from otherwise taxable sales by reason of their residence. This exemption does not apply to Business & Occupation tax.

2 Purchase of an aircraft for the sole purpose of resale without any intervening use, such as by an aircraft dealer, is exempt from sales tax. Purchasers must obtain a reseller's permit from the Department of Revenue on or before the purchase date.

3 The lease of an aircraft primarily located in Washington is subject to sales tax, but if the aircraft is purchased for the sole purpose of leasing without an operator and without intervening use then the purchaser may claim a resale exemption from sales and use tax on the purchase and pay sales tax on the market rate lease payments instead of the purchase price. To do so purchasers must obtain a reseller's permit from the Department of Revenue on or before the purchase date. For businesses with “substantial nexus,” Business & Occupation tax is due on gross receipts, subject to the small business credit. In 2010 the Washington State Legislature enacted RCW 82.32.655 to “stop transactions or arrangements that are designed to unfairly avoid taxes,” including leases to commonly controlled entities. The Department of Revenue is in the process of drafting a “tax avoidance” rule that will address the extent to which aircraft leases will be impacted by the statute. The NBAA, local industry groups and a group of Washington tax specialists have been working with the DOR to minimize the impact to aircraft owners and operators in the State. A draft rule is expected to be issued in 2013.

4 Sales tax does not apply to sales of aircraft for use by the taxpayer in conducting interstate or foreign commerce by transporting property and persons for hire or conducting intrastate air transportation by a commuter air carrier. Note that for this exemption to apply, the taxpayer must be the party conducting such transportation.

5 Exemption applies to sales tax only. The seller must not be engaged in the business of selling the type of property involved and must not be subject to B&O or public utilities taxes.

6 Retail sales tax does not apply to transfers of corporate assets accomplished through an adjustment of beneficial interest because WAC 458-20-106 recognizes that a mere change in the form of ownership is not a "sale."

7 7. The definition of “sales price” does not include the value of like-kind trade in property, and thus the taxable portion of an aircraft’s purchase price can be reduced by the value of the trade-in aircraft. There is no comparable trade-in exclusion with respect to B&O tax.

8 Sales tax is due on the lease of an aircraft with an operator for compensation if the lessor does not relinquish substantial dominion and control of such operator.

9 Parts that become components of aircraft and the labor required to install such parts are exempt if: (1) covered under the interstate commerce exemption or (2) the aircraft is owned by a nonresident and the components are delivered to the nonresident outside of Washington.

10 Most aircraft are subject to a $15 registration fee plus excise tax ranging from $20 for a home built aircraft to $125 for a turbojet. Exempt aircraft are: a) government aircraft not engaged in carrying persons or property for commercial purposes, b) foreign registered aircraft, c) aircraft owned by a nonresident registered in another state remaining in the state in any given year, d) aircraft engaged principally in commercial flying that constitutes interstate or foreign commerce,

and aircraft owned by the manufacturer thereof while being operated for test or experimental purposes or for the purpose of training crews for purchasers of the aircraft, e) aircraft being held for sale, exchange, delivery, test, or demonstration purposes solely as stock in trade of a licensed aircraft dealer, f) aircraft owned by a nonresident if the aircraft is kept at an airport in the state and that airport is jointly owned or operated by a municipal corporation or other governmental entity of the state and a municipal corporation or other governmental entity of another state, and the owner or operator of the aircraft provides proof that the owner or operator has paid all taxes, license fees, and registration fees required by the state in which the owner or operator resides, and g) Aircraft that are owned by a 501(c)(3) nonprofit organization and exclusively used to provide emergency medical transportation services.

11 Aircraft subject to Washington excise (registration) tax are not subject to personal property tax. Aircraft that are exempt from paying the annual excise (registration) tax are subject to personal property tax. Note that Washington assesses a property tax on an apportioned basis against charter operators that land aircraft in the state, whether such aircraft are owned by the charter company or merely used in the charter company's business.

12 Contact information: Alan M. Burnett, CenterPoint Aviation Law PLLC, (206) 805-5700, alan@centerpointaviationlaw.com.

State Aviation Taxes: Wyoming

Updated October 5, 2013

Sales and Use Tax

Tax Rate

Rate	Reference
4% (plus .5-2% local sales tax)	Wyo. Stat. 39-15-104(b); 39-16-104(b); 39-15-204; 39-16-204

Exemptions

Exemption	Available?	Reference
Fly-Away	No	N/A
Purchase for Resale (Inventory)	Yes 1	39-15-101(a)(vi); 39-15-103(a)(i)(A); 39-16-103(a)(ii); 39-16-101(a)(iii)
Purchase for Resale (Lease)	Yes	39-15-101(a)(vi)
Commercial Operations	Yes 2, 3, 4, 5	39-15-105(a)(ii)(B); 39-15-105(a)(viii)(P); 39-16-105(a)(ii)(A); 39-16-105(a)(viii)(E)
Casual/Occasional/Isolated Sale	No	N/A
Transfers to a Related Party	Yes 6	39-15-101(a)(vii); 39-16-101(a)(iii)
Special Use Tax Rules/Exemptions		
• Use Tax Exemption for aircraft temporarily in State	No	N/A
• Use Tax Exemption for aircraft based upon days in State	No	N/A
• Use Tax Exemption (or presumption of no intention of taxable use) based upon number of days aircraft is kept outside a State before being brought in	No	N/A
• Sales or use tax exemption for aircraft	No	N/A

undergoing (or that underwent) pre-purchase inspection.		
• Interstate Operations	Yes 7	39-16-105(a)(i)(A)
Trade-In Credit	Yes	39-15-105(a)(ix); 39-16-101(a)(iv); 39-16-105(a)(x)
Lease Payments (lease with crew)	Yes 8	39-15-103(a)(i)(D); 39-15-105(a)(ii)(A)
Lease Payments (lease without crew)	No	39-15-103(a)(i)(B)
Repair Parts	Yes 9	39-15-105(a)(viii)(J); 39-15-105(a)(viii)(P); 39-16-105 (a)(viii)(B) ; 39-16-105 (a)(viii)(E)
Repair Labor	Yes 10	39-15-105(a)(viii)(J); 39-16-105 (a)(viii)(B)
Fabrication Parts and Labor	Yes	39-15-105(a)(iii)(A); 39-15-106(a)(iii)(A)

Fuel Taxes

Jet Fuel

- Excise Tax: .04/gal
- Sales Tax: No
- Exemptions/Refunds: N/A
- References: 39-17-204(a)(iii)

Aviation Gasoline Tax

- Excise Tax: .04/gal
- Sales Tax: No
- Exemptions/Refunds: N/A
- References: 39-17-104(a)(ii)

Aircraft Registration Fees

- No aircraft registration fees in Wyoming

Personal Property Tax

- Yes (See Note 11)

- Reference: 39-13-103

Notes

1 Tangible personal property sold by any person for delivery in Wyoming is deemed sold for storage, use or consumption in Wyoming and subject to the tax imposed unless the seller has received from the purchaser a signed resale certificate.

2 Limited to purchases of aircraft by interstate air carriers which are holders of valid United States civil aeronautics board permits or authorities.

3 Limited to sale or lease of any aircraft used in a federal aviation administration commercial operation, including, but not limited to, repair, remodeling and maintenance services performed on the aircraft, its engine or its component materials or parts.

4 Limited to purchases of aircraft by interstate air carriers which are holders of valid United States civil aeronautics board permits or authorities.

5 Limited to sale or lease of any aircraft used in a federal aviation administration air carrier, including, but not limited to, repair, remodeling and maintenance services performed on the aircraft, its engine or its component materials or parts.

6 Limited to transfers related to formation or dissolutions of entities; transfers to/ from a parent corporation to a subsidiary corporation or from a subsidiary corporation to another subsidiary corporation (requires at least eighty percent (80%) ownership by the parent corporation) solely in exchange for stock or securities of the transferee receiving the assets; transfers due to repossession of personal property by a mortgage holder or foreclosure by a lienholder; or to sales of a business entity when purchaser acquires not less than eighty percent (80%) of the value of all of assets.

7 Use with extreme caution as there is limited guidance on what constitutes non-taxable interstate commerce.

8 Only applies to interstate transportation of freight or passengers.

9 Only applies to the sale of aircraft parts incident to repair, remodeling or maintenance services at a federal aviation administration certified repair station. Additional exemption applies to sale of parts for and repairs to aircraft involved in FAA commercial operation.

10 Only applies to repair, remodeling or maintenance services at a federal aviation administration certified repair station.

11 Tax rate is local county millage rate times the taxable value (9.5% of fair market value).