

By Senator Fasano

11-190B-07

1 A bill to be entitled

2 An act relating to the tax on sales, use, and

3 other transactions; amending s. 212.02, F.S.;

4 defining the term "fractional aircraft

5 ownership program"; amending s. 212.08, F.S.;

6 providing exemptions for the sale or use of an

7 aircraft for primary use pursuant to a

8 fractional aircraft ownership program, for the

9 maintenance, repair, and overhaul associated

10 with aircraft sold or used pursuant to such a

11 program, and for the sale or use of a

12 fractional ownership interest pursuant to such

13 a program; providing an effective date.

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15 WHEREAS, Florida has identified aviation and aerospace

16 as targeted industries for economic development purposes, and

17 WHEREAS, Florida has determined that the synergy in the

18 space, aerospace, and aviation industries attracts the world's

19 leading businesses to the state, and

20 WHEREAS, Florida employs approximately 80,000 people in

21 the aviation and aerospace industries at an average annual

22 wage of approximately \$52,000, and

23 WHEREAS, Florida has the third-largest aviation

24 maintenance, repair, and overhaul cluster in the United States

25 and has focused strategies for expanding these aviation

26 support services, and

27 WHEREAS, Florida intends to remain competitive with

28 other states as additional innovative commercial air

29 transportation products are developed, NOW, THEREFORE,

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31 Be It Enacted by the Legislature of the State of Florida:

1 Section 1. Subsection (34) is added to section 212.02,
2 Florida Statutes, to read:

3 212.02 Definitions.--The following terms and phrases
4 when used in this chapter have the meanings ascribed to them
5 in this section, except where the context clearly indicates a
6 different meaning:

7 (34) "Fractional aircraft ownership program" means a
8 program that:

9 (a) Is provided by a business or affiliated group that
10 has at least 25 turbojet or turboprop aircraft regardless of
11 the maximum certified takeoff weight of the aircraft;

12 (b) Involves the provision of significant management
13 services;

14 (c) Requires one or more fractional owners per
15 aircraft, with at least one aircraft having more than one
16 owner of whom each owner has at least a 1/16th interest;

17 (d) Has dry-lease interchange arrangements in effect
18 among all the owners; and

19 (e) Has multiyear program arrangements in effect as to
20 all of the components of the program described in paragraphs
21 (a)-(d).

22 Section 2. Subsection (19) is added to section 212.08,
23 Florida Statutes, to read:

24 212.08 Sales, rental, use, consumption, distribution,
25 and storage tax; specified exemptions.--The sale at retail,
26 the rental, the use, the consumption, the distribution, and
27 the storage to be used or consumed in this state of the
28 following are hereby specifically exempt from the tax imposed
29 by this chapter.

30 (19) AIRCRAFT IN A FRACTIONAL AIRCRAFT OWNERSHIP
31 PROGRAM.--The tax imposed by this chapter does not apply to

1 the sale or use of an aircraft for primary use in a fractional
2 aircraft ownership program; the sale or use of any parts or
3 labor used in the completion, maintenance, repair, or overhaul
4 of an aircraft for primary use in a fractional aircraft
5 ownership program; and the sale or use of a fractional
6 ownership interest in an aircraft pursuant to a fractional
7 aircraft ownership program, including amounts paid by the
8 fractional owner as monthly management or maintenance fees.

9 Section 3. This act shall take effect July 1, 2007.

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12 SENATE SUMMARY

13 Relates to the tax on sales, use, and other transactions.
14 Defines the term "fractional aircraft ownership program."
15 Provides exemptions from the tax for the sale or use of
16 an aircraft for primary use pursuant to a fractional
17 aircraft ownership program, for the maintenance, repair,
18 and overhaul associated with aircraft sold or used
19 pursuant to such a program, and for the sale or use of a
20 fractional ownership interest pursuant to such a program.
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