

By the Committees on Finance and Tax; Commerce; and Senator Fasano

593-2439-07

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 parts and labor used in the maintenance,
10 repair, and overhaul associated with aircraft
11 sold or used pursuant to such a program, and
12 for the sale or use of a fractional ownership
13 interest pursuant to such a program; providing
14 an effective date.

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16 WHEREAS, Florida has identified aviation and aerospace
17 as targeted industries for economic development purposes, and

18 WHEREAS, Florida has determined that the synergy in the
19 space, aerospace, and aviation industries attracts the world's
20 leading businesses to the state, and

21 WHEREAS, Florida employs approximately 80,000 people in
22 the aviation and aerospace industries at an average annual
23 wage of approximately \$52,000, and

24 WHEREAS, Florida has the third-largest aviation
25 maintenance, repair, and overhaul cluster in the United States
26 and has focused strategies for expanding these aviation
27 support services, and

28 WHEREAS, Florida intends to remain competitive with
29 other states as additional innovative commercial air
30 transportation products are developed, NOW, THEREFORE,
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1 Be It Enacted by the Legislature of the State of Florida:

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

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

9 (34) "Fractional aircraft ownership program" means a
10 program that meets the requirements set forth in Federal
11 Aviation Administration Regulation Title 14, chapter I, part
12 91, subpart K, C.F.R., except that the program must include a
13 minimum of 25 aircraft owned or leased by the business or
14 affiliated group providing the program.

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

17 212.08 Sales, rental, use, consumption, distribution,
18 and storage tax; specified exemptions.--The sale at retail,
19 the rental, the use, the consumption, the distribution, and
20 the storage to be used or consumed in this state of the
21 following are hereby specifically exempt from the tax imposed
22 by this chapter.

23 (19) FRACTIONAL AIRCRAFT OWNERSHIP PROGRAMS.--Also
24 exempt from the tax imposed by this chapter is the sale or use
25 of:

26 (a) Aircraft for primary use in a fractional aircraft
27 ownership program.

28 (b) Any parts or labor used in the completion,
29 maintenance, repair, or overhaul of aircraft for primary use
30 in a fractional aircraft ownership program.

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1 (c) A fractional ownership interest in aircraft
2 pursuant to a fractional aircraft ownership program, including
3 amounts paid by the fractional owner as monthly management or
4 maintenance fees.

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6 The exemptions provided in paragraphs (a) and (b) are not
7 allowed unless the purchaser or lessee furnishes the dealer
8 with a certificate stating that the lease, purchase, repair,
9 or maintenance to be exempted is for the exclusive use of the
10 purchaser or lessee and that the purchaser or lessee otherwise
11 qualifies for the exemption as provided in this subsection. If
12 a purchaser or lessee makes tax-exempt purchases on a
13 continual basis, the purchaser or lessee may tender the
14 certificate once and allow the dealer to keep the certificate
15 on file. The purchaser or lessee shall inform the dealer that
16 has a certificate on file when the purchaser or lessee no
17 longer qualifies for the exemption. The department shall
18 determine the format of the certificate.

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

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21 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
22 COMMITTEE SUBSTITUTE FOR
23 CS/SB 286

24 The Committee Substitute provides that to qualify for this
25 sales tax exemption, the fractional ownership program must
26 include a minimum of 25 aircraft owned or leased by the
27 business or affiliated group providing the program.
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