

HB 445

2007

1 A bill to be entitled

2 An act relating to the tax on sales, use, and other
3 transactions; amending s. 212.08, F.S.; exempting certain
4 aircraft, related construction, maintenance, repair, and
5 overhaul parts and labor, and fractional aircraft
6 ownership interests; providing a definition; amending s.
7 212.0801, F.S.; applying certain university flight
8 training and research program participation requirements
9 to exemptions for fractional aircraft ownership programs;
10 providing an effective date.

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12 WHEREAS, Florida has identified aviation and aerospace as a
13 targeted industry for economic development purposes, and

14 WHEREAS, Florida has determined that the synergy in the
15 space, aerospace, and aviation industry attracts the world's
16 leading businesses to this state, and

17 WHEREAS, Florida employs approximately 80,000 people in the
18 aviation and aerospace industry at an average annual wage of
19 approximately \$52,000, and

20 WHEREAS, Florida has the third largest aviation
21 maintenance, repair, and overhaul cluster in the United States
22 and has focused strategies for expanding these aviation support
23 services, and

24 WHEREAS, Florida intends to remain competitive with other
25 states as additional innovative commercial air transportation
26 products are developed, NOW, THEREFORE,

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

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Section 1. Subsection (19) is added to section 212.08, Florida Statutes, to read:

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

(19) EXEMPTIONS; FRACTIONAL AIRCRAFT OWNERSHIP.--

(a) Also exempt from the tax imposed by this chapter is the sale or use of:

1. Aircraft for primary use in a fractional aircraft ownership program.

2. Any parts or labor used in the completion, maintenance, repair, or overhaul of aircraft for primary use in a fractional aircraft ownership program.

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

(b) For purposes of this subsection, the term "fractional aircraft ownership program" means a program that:

1. Is provided by a business or affiliated group that has at least 25 turbojet or turboprop aircraft, regardless of the maximum certified takeoff weight of the aircraft.

2. Provides significant management services.

3. Requires one or more fractional owners per aircraft,

57 with at least one aircraft having more than one owner, each
 58 owner having at least a one-sixteenth interest.

59 4. Has dry-lease interchange arrangements in effect among
 60 all the owners.

61 5. Has multiyear program arrangements in effect as to all
 62 of the components of the program described in subparagraphs 1.-
 63 4.

64 Section 2. Section 212.0801, Florida Statutes, is amended
 65 to read:

66 212.0801 Qualified aircraft exemption; fractional aircraft
 67 ownership program exemption.--To be eligible to receive an
 68 exemption under s. 212.08(7) or (19) ~~for a qualified aircraft~~, a
 69 purchaser or lessee must offer, in writing, to participate in a
 70 flight training and research program with two or more
 71 universities based in this state which offer graduate programs
 72 in aeronautical or aerospace engineering and offer flight
 73 training through a school of aeronautics or college of aviation.
 74 The purchaser or lessee shall forward a copy of the written
 75 offer to the Department of Revenue. No exemption provided in
 76 this chapter for the lease, purchase, repair, or maintenance of
 77 an a-qualified aircraft shall be allowed unless the purchaser or
 78 lessee furnishes the dealer with a certificate stating that the
 79 lease, purchase, repair, or maintenance to be exempted is for
 80 the exclusive use of the purchaser or lessee of an a-qualified
 81 aircraft and that the purchaser or lessee otherwise qualifies
 82 for the exemption as provided in this section. If a purchaser or
 83 lessee makes tax-exempt purchases of ~~qualified~~ aircraft or
 84 leases an a-qualified aircraft on a continual basis, the

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85 purchaser or lessee may tender the certificate once and allow
86 the dealer to keep a certificate on file. The purchaser or
87 lessee shall inform the dealer that has a certificate on file
88 when the purchaser or lessee no longer qualifies for the
89 exemption. The department shall determine the format of the
90 certificate. This section applies only to qualified aircraft and
91 aircraft, parts and labor for aircraft repair and maintenance,
92 and ownership interests in aircraft used primarily in a
93 fractional aircraft ownership program.

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