

1 A bill to be entitled

2 An act relating to the tax on sales, use, and other
3 transactions; amending s. 212.02, F.S.; defining the term
4 "fractional aircraft ownership program"; amending s.
5 212.08, F.S.; providing exemptions for the sale or use of
6 an aircraft for primary use pursuant to a fractional
7 aircraft ownership program and for the parts and labor
8 used in the maintenance, repair, and overhaul associated
9 with aircraft sold or used pursuant to such a program;
10 creating s. 212.0597, F.S.; providing a maximum tax on the
11 sale or use of fractional aircraft ownership interests;
12 providing application; providing limitations; providing an
13 effective date.

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15 WHEREAS, Florida has identified aviation and aerospace as
16 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 the
21 aviation and aerospace industries at an average annual wage of
22 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 support
26 services, and

27 WHEREAS, Florida intends to remain competitive with other
28 states as additional innovative commercial air transportation

29 products are developed, NOW, THEREFORE,

30

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

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

35 212.02 Definitions.--The following terms and phrases when
 36 used in this chapter have the meanings ascribed to them in this
 37 section, except where the context clearly indicates a different
 38 meaning:

39 (34) "Fractional aircraft ownership program" means a
 40 program that meets the requirements of Federal Aviation
 41 Administration Regulation Title 14, chapter I, part 91, subpart
 42 K, C.F.R., except that the program must include a minimum of 25
 43 aircraft owned or leased by the business or affiliated group, as
 44 defined by s. 1504(a) of the Internal Revenue Code of 1986, as
 45 amended, providing the program. Such aircraft shall be used in
 46 the fractional aircraft ownership program providing the program.

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

49 212.08 Sales, rental, use, consumption, distribution, and
 50 storage tax; specified exemptions.--The sale at retail, the
 51 rental, the use, the consumption, the distribution, and the
 52 storage to be used or consumed in this state of the following
 53 are hereby specifically exempt from the tax imposed by this
 54 chapter.

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

57 (a) Aircraft for primary use in a fractional aircraft
58 ownership program.

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

62
63 The exemptions provided in paragraphs (a) and (b) are not
64 allowed unless the purchaser or lessee furnishes the dealer with
65 a certificate stating that the lease, purchase, repair, or
66 maintenance to be exempted is for primary use in a fractional
67 aircraft ownership program and that the purchaser or lessee
68 otherwise qualifies for the exemption as provided in this
69 subsection. If a purchaser or lessee makes tax-exempt purchases
70 on a continual basis, the purchaser or lessee may tender the
71 certificate once and allow the dealer to keep the certificate on
72 file. The purchaser or lessee shall inform the dealer that has a
73 certificate on file when the purchaser or lessee no longer
74 qualifies for the exemption. The department shall determine the
75 format of the certificate.

76 Section 3. Section 212.0597, Florida Statutes, is created
77 to read:

78 212.0597 Maximum tax on fractional aircraft ownership
79 interests.--The tax imposed under this chapter, including any
80 discretionary sales surtax imposed under s. 212.055, shall be
81 limited to \$300 on the sale or use in this state of a fractional
82 ownership interest in aircraft pursuant to a fractional aircraft
83 ownership program. This maximum tax applies to the total
84 consideration paid for the fractional ownership interest,

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85 including amounts paid by the fractional owner as monthly
86 management or maintenance fees. The maximum tax applies only
87 when such fractional ownership interest is sold by or to the
88 operator of the fractional aircraft ownership program or when
89 the fractional ownership interest can be transferred only upon
90 the approval of the operator of the fractional aircraft
91 ownership program.

92 Section 4. This act shall take effect July 1, 2008.