

By the Committee on Commerce; and Senator Fasano

577-04188-08

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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 an effective date.

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14 WHEREAS, Florida has identified aviation and aerospace as
15 targeted industries for economic development purposes, and

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

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

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

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

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

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

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

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

Section 2. 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) FRACTIONAL AIRCRAFT OWNERSHIP PROGRAMS.--Also exempt from the tax imposed by this chapter is the sale or use of:

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

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

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

73 Section 3. Section 212.0597, Florida Statutes, is created
74 to read:

75 212.0597 Maximum tax on fractional aircraft ownership
76 interests.--The tax imposed under this chapter, including any
77 discretionary sales surtax under s. 212.055, shall be limited to
78 \$300 on the sale or use in this state of a fractional ownership
79 interest in aircraft pursuant to a fractional aircraft ownership
80 program. This maximum tax applies to the total consideration paid
81 for the fractional ownership interest, including amounts paid by
82 the fractional owner as monthly management or maintenance fees.
83 The maximum tax applies only when such fractional ownership
84 interest is sold by or to the operator of the fractional aircraft
85 ownership program or when the fractional ownership interest can
86 be transferred only upon the approval of the operator of the
87 fractional aircraft ownership program.

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