

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 tax exemptions on the sale or use  
 6           of aircraft primarily used in a fractional aircraft  
 7           ownership program and for the parts and labor used in the  
 8           maintenance, repair, and overhaul of such aircraft;  
 9           creating s. 212.0597, F.S.; providing a maximum tax on the  
 10          sale or use of fractional aircraft ownership interests;  
 11          providing an effective date.

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 13           WHEREAS, Florida has identified aviation and aerospace as  
 14          industries suitable for economic development, and

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

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

21           WHEREAS, Florida has the third-largest aviation  
 22          maintenance, repair, and overhaul cluster in the United States  
 23          and has strategies directed toward expanding these aviation  
 24          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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31 Section 1. Subsection (34) is added to section 212.02,  
32 Florida Statutes, to read:

33 212.02 Definitions.—The following terms and phrases when  
34 used in this chapter have the meanings ascribed to them in this  
35 section, except where the context clearly indicates a different  
36 meaning:

37 (34) "Fractional aircraft ownership program" means a  
38 program that meets the requirements of 14 C.F.R. part 91,  
39 subpart K, relating to fractional ownership operations, except  
40 that the business or affiliated group, as defined by s. 1504(a)  
41 of the Internal Revenue Code, must own or lease a minimum of 25  
42 aircraft. Such aircraft must be used in the fractional aircraft  
43 ownership program providing the program.

44 Section 2. Paragraph (ggg) is added to subsection (7) of  
45 section 212.08, Florida Statutes, to read:

46 212.08 Sales, rental, use, consumption, distribution, and  
47 storage tax; specified exemptions.—The sale at retail, the  
48 rental, the use, the consumption, the distribution, and the  
49 storage to be used or consumed in this state of the following  
50 are hereby specifically exempt from the tax imposed by this  
51 chapter.

52 (7) MISCELLANEOUS EXEMPTIONS.—Exemptions provided to any  
53 entity by this chapter do not inure to any transaction that is  
54 otherwise taxable under this chapter when payment is made by a  
55 representative or employee of the entity by any means,  
56 including, but not limited to, cash, check, or credit card, even

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57 | when that representative or employee is subsequently reimbursed  
58 | by the entity. In addition, exemptions provided to any entity by  
59 | this subsection do not inure to any transaction that is  
60 | otherwise taxable under this chapter unless the entity has  
61 | obtained a sales tax exemption certificate from the department  
62 | or the entity obtains or provides other documentation as  
63 | required by the department. Eligible purchases or leases made  
64 | with such a certificate must be in strict compliance with this  
65 | subsection and departmental rules, and any person who makes an  
66 | exempt purchase with a certificate that is not in strict  
67 | compliance with this subsection and the rules is liable for and  
68 | shall pay the tax. The department may adopt rules to administer  
69 | this subsection.

70 |        (ggg) Fractional aircraft ownership programs.—The sale or  
71 | use of aircraft primarily used in a fractional aircraft  
72 | ownership program or of any parts or labor used in the  
73 | completion, maintenance, repair, or overhaul of such aircraft is  
74 | exempt from the tax imposed by this chapter. The exemption is  
75 | not allowed unless the purchaser or lessee furnishes the dealer  
76 | with a certificate stating that the lease, purchase, repair, or  
77 | maintenance is for aircraft primarily used in a fractional  
78 | aircraft ownership program and that the purchaser or lessee  
79 | qualifies for the exemption. If a purchaser or lessee makes tax-  
80 | exempt purchases on a continual basis, the purchaser or lessee  
81 | may allow the dealer to keep the certificate on file. The  
82 | purchaser or lessee must inform a dealer that keeps the  
83 | certificate on file if the purchaser or lessee no longer  
84 | qualifies for the exemption. The department shall adopt rules to

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85 administer this paragraph, including rules determining the  
86 format of the certificate.

87 Section 3. Section 212.0597, Florida Statutes, is created  
88 to read:

89 212.0597 Maximum tax on fractional aircraft ownership  
90 interests.—The maximum tax imposed under this chapter, including  
91 any discretionary sales surtax under s. 212.055, is limited to  
92 \$300 on the sale or use in this state of a fractional ownership  
93 interest in aircraft pursuant to a fractional aircraft ownership  
94 program. The tax applies to the total consideration paid for the  
95 fractional ownership interest, including any amounts paid by the  
96 fractional owner as monthly management or maintenance fees. The  
97 tax applies only if the fractional ownership interest is sold by  
98 or to the operator of the fractional aircraft ownership program,  
99 or if the fractional ownership interest is transferred upon the  
100 approval of the operator of the fractional aircraft ownership  
101 program.

102 Section 4. This act shall take effect July 1, 2010.