

HB 217

2008

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,

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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
44 providing the program.

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

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

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

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

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

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

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

76 212.0597 Maximum tax on fractional aircraft ownership
77 interests.--Notwithstanding other tax rates specified in this
78 chapter, the maximum tax on the sale or use in this state of a
79 fractional ownership interest in aircraft pursuant to a
80 fractional aircraft ownership program is \$300. This maximum tax
81 applies to the total consideration paid for the fractional
82 ownership interest, including amounts paid by the fractional
83 owner as monthly management or maintenance fees. The maximum tax
84 applies only when such fractional ownership interest is sold by

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85 or to the operator of the fractional aircraft ownership program
86 or when the fractional ownership interest can be transferred
87 only upon the approval of the operator of the fractional
88 aircraft ownership program.

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