



Sales and Use Tax on Aircraft Owners and Purchasers

What You Need to Know

If you are planning to buy an aircraft in Florida or bring one into the state, the Florida Department of Revenue reminds you that tax compliance is an important aspect of aircraft ownership. Tax dollars help fund airport construction, runway improvements, and other vital services for aircraft owners.

What is Taxable?

All aircraft sold and/or delivered in Florida are subject to Florida's 6 percent sales tax plus any applicable discretionary sales surtax, unless the transaction is exempt by law. Florida aircraft dealers and brokers must collect sales tax from the buyer at the time of sale or delivery.

Dealers that deliver aircraft into a county imposing a discretionary sales surtax, must also collect this tax. Discretionary sales surtax applies only to the first \$5,000 of the purchase price.

All sales of aircraft between individuals are taxable if the sale and/or delivery occurs in Florida.

What Is Use Tax?

Use tax is a component of Florida's sales and use tax law. It is due on purchases made out of state and brought into Florida within six months of the purchase date.

The "use" part of sales and use tax provides uniform taxation of items such as aircraft, which are bought outside Florida, but used, hangared, or stored in Florida.

Effective July 1, 2010, a nonresident of Florida will be exempt from use tax on his/her aircraft if the aircraft enters and remains in the state for no more than a total of 20 days during the 6 month period after the date of purchase. For more information, see Tax Information Publication number 10A01-11 issued on June 29, 2010.

Aircraft bought and used outside Florida for more than six months are generally exempt when brought into Florida, if both of these conditions are met:

- The owner has owned the aircraft for more than six months.
- The owner has used the aircraft in another state or states, U.S. territory, or District of Columbia six months or longer before bringing the aircraft to Florida.

Effective July 1, 2010, a nonresident of Florida will be exempt from use tax on his/her aircraft if the aircraft enters and remains in the state exclusively for flight training, repairs, alterations, refitting, or modifications, the days the aircraft remains in Florida for these purposes do not count toward the nonresident's 20-day allowance. For more information, see Tax Information Publication number 10A01-11 issued on June 29, 2010.

To report use tax due to the State of Florida on the purchase of an aircraft, the buyer must complete an *Ownership Declaration and Sales and Use Tax Report on Aircraft* (Form DR-42A). You can get this form from our Internet site at www.myflorida.com/dor.

Trade-Ins

If a sale and trade-in are in a single transaction, you must deduct the trade-in allowance from the selling price. Only the net sales price is subject to Florida sales tax and discretionary sales surtax.

Tax Credits for Purchases Outside Florida

Florida will allow credit for sales or use taxes imposed and paid to another state, U.S. territory, or the District of Columbia, if the aircraft becomes subject to Florida tax.

Florida will not allow credit for taxes paid to a foreign country and will not recognize use in a foreign country for any period. Any aircraft imported from a foreign country to Florida for use, distribution, or storage into Florida is subject to Florida's use tax and surtax.

Specific Exemptions

A nonresident buyer who will remove the aircraft from Florida may purchase an aircraft tax-exempt if sold by or through a registered dealer. Within five days of the date of sale, the dealer must provide us with a copy of the invoice, bill of sale, and/or closing statement; and the original, signed, removal affidavit.

Tax will not be due if the buyer meets either of these requirements:

- The buyer must remove the aircraft from Florida within 10 days from the date of sale.
- If the aircraft needs repairs, additions, or alterations, the buyer must immediately place the aircraft in a repair facility registered with us and remove it from Florida within 20 days from the date the work is complete.

The buyer must also meet these requirements:

- Sign an affidavit attesting the buyer has read the applicable rules and law regarding the exemption claimed and will remove the aircraft within 10 days from the date of sale.
- Within 10 days of removal, furnish us with proof the aircraft left Florida (submit copies of receipts for fuel charges, tie-down charges, or repair or hangar charges from outside Florida).
- Within 30 days of departure, the buyer must furnish us with written proof the aircraft was licensed, registered, titled, and hangared outside Florida.

This exemption **does not apply** to sales to Florida residents, corporations whose officers or directors are Florida residents, or other entities whose controlling individual is a Florida resident.

Fixed Wing Aircraft Sales or Leases – The sale or lease of fixed wing aircraft having a maximum certified takeoff weight of more than 15,000 pounds and used by a “common carrier,” as defined in Section 121 or 129 Federal Aviation Administration Regulations, is exempt from sales and use tax.

Maintenance or Repair of Aircraft – The amount charged customers for labor associated with the maintenance or repair of a fixed wing aircraft with a maximum certified takeoff weight of more than 15,000 pounds or a rotary wing aircraft (e.g., helicopters) with a maximum certified takeoff weight of more than 10,000 pounds is exempt from sales and use tax.

Equipment Used in Aircraft Repair or Maintenance – The sale of equipment used to maintain or repair fixed wing aircraft and rotary wing aircraft is exempt from sales and use tax when the equipment:

- Includes replacement engines, parts, and/or equipment used to maintain or repair the aircraft.
- Is used on an aircraft with a maximum certified takeoff weight of 15,000 pounds or a rotary wing aircraft with a maximum certified takeoff weight of more than 10,300 pounds.
- Is installed on aircraft maintained or repaired in Florida.

Registering Your Aircraft

If you operate an aircraft in Florida, you must register it under the regulations of the Federal Aviation Administration. Florida does not require a separate state registration of aircraft.

Penalty and Interest

Anyone who buys an aircraft tax-exempt under the removal provisions of the Florida Statutes may pay use tax, surtax, interest, and a penalty equal to the tax due if the aircraft:

- Is not removed within 10 days of the date of purchase.
- Is not removed within 20 days after repairs are completed.
- Returns to Florida within six months of the date of departure.

Any buyer who gives a fraudulent removal affidavit to evade tax is subject to payment of the tax due, interest, a mandatory penalty of 200 percent of the tax, a fine of up to \$5,000, and imprisonment up to five years.

Ramp Checks (Visual Inspections)

We periodically conduct ramp checks. These are visual inspections at Florida airports and fixed-base operation facilities to ensure the appropriate tax was paid on aircraft in Florida.

Reference Material

Tax Laws – Our online Tax Law Library contains statutes, rules, legislative changes, opinions, court cases, and publications. Search the law library for Rule 12A-1.007, Florida Administrative Code, *Aircraft, Boats, Mobile Homes, and Motor Vehicles*; Rule 12A-1.071, F.A.C., *Rentals, Leases, or License to Use Tangible Personal Property*; and Rule 12A-15, F.A.C., *Discretionary Sales Surtax*.

Brochures – Download these brochures from our “Forms and Publications” page:

- *Florida’s Sales and Use Tax*
- *Discretionary Sales Surtax*
- *Aircraft—Dealers and Brokers*
- *Tangible Personal Property Rentals*

For Information and Forms

For **detailed responses** to your questions, contact:

Aircraft Enforcement Unit

Florida Department of Revenue

P.O. Box 6417

Tallahassee FL 32314-6417

Fax: 850-487-0969

Telephone: 850-487-3273 **until 10/26/2010**

NEW Telephone number 850-617-8594 **after 10/26/2010**

Information and forms are available on our Internet site at: **www.myflorida.com/dor**

To speak with a Department of Revenue representative, call Taxpayer Services, Monday through Friday, 8 a.m. to 7 p.m., ET, at 800-352-3671.

Persons with hearing or speech impairments may call our TDD at 800-367-8331 or 850-922-1115.

For a written reply to tax questions, write:

Taxpayer Services

Florida Department of Revenue

5050 W Tennessee St

Tallahassee FL 32399-0112

Get the Latest Tax Information

Sign up to get e-mail notices automatically when we post:

- Tax Information Publications (TIPs).
- *Facts on Tax*, a quarterly publication.
- Proposed rules, notices of rule development workshops, and more.

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