

Memorandum

To: Honorable Malia M. Cohen, Chair
Honorable Antonio Vazquez, Vice Chair
Honorable Ted Gaines, First District
Honorable Mike Schaefer, Fourth District
Honorable Betty T. Yee, State Controller

Date: October 30, 2019

From: /s/David Yeung
David Yeung, Deputy Director
Property Tax Department

Subject: ***Board Meeting, November 2019 —Item J—Administrative Session, Property Tax Forms***

I am requesting that the attached property tax forms and instructions be submitted to the Board for adoption. Government Code section 15606 requires that the Board prescribe and enforce the use of all forms for the assessment of property for taxation.

Effective September 20, 2019, operative January 1, 2020, [Senate Bill \(SB\) 791](#) amended Revenue and Taxation Code section 441, amended and added section 1152, added sections 1153.5 and 1157, and repealed section 1153. For purposes of valuation of certificated aircraft, SB 791 establishes a new formula, re-establishes a lead county, sets forth audit requirements, and revises the Board of Equalization's (BOE) role. SB 791 also requires the BOE, after consultation with the California Assessors' Association (CAA) and representatives of commercial air carriers, to produce forms and instructions that implement the newly established allocation formula. The forms and instructions must be effective by January 1, 2020. The attached forms and instructions reflect review by CAA and representatives of commercial air carriers.

Please place the following two forms on the Board's November 2019 Administrative Session for approval.

BOE-570-1 *Supplementary Schedule to the Business Property Statement, Air Carrier's Operation Report*
BOE-570-2 *Supplementary Schedule to the Business Property Statement, Flight Equipment Value Computation*

DY:lf
Attachment

cc: Ms. Rose Smith

Approved:

/s/Brenda Fleming
Brenda Fleming
Executive Director

Board Approved:

Henry Nanjo, Acting Chief
Board Proceedings Division

INSTRUCTIONS FOR COMPLETING BOE-570-1

Use a separate 570-1 for each airport within each county where your aircraft had activity. Add the total time calculated on this form to BOE 570-2 in order to calculate the allocation factor for each sub-fleet at each airport.

- Column A.** List each aircraft sub-fleet type that had activity at this airport during the prior calendar year.
- Column B.** For each aircraft sub-fleet type, list each route pair that the sub-fleet completed. For example JFK/LAX, LAX/DFW, LAX/SMF, SMF/LAX, BUR/SFO, SFO/BUR.
- Column C.** Report the total number of times the route pair reported in Column B occurred during the prior calendar year.
- Column D.** Find and report the BOE Flight Time associated with the route pair reported in column B within the list published in the latest "Letter to Assessors".
- Column E.** Multiply the number of flights in column C by the associated flight time in Column D, subtotal the CA flight time by sub-fleet type.
- Column F.** Report the total ground time for each sub-fleet type at this airport.
- Column G.** Add the CA Flight Time calculated in column E by sub-fleet type to the ground time reported in Column F to obtain the total time for the sub-fleet type at this airport.

DRAFT

SUPPLEMENTARY SCHEDULE TO THE BUSINESS PROPERTY STATEMENT
BOE-570-2
FLIGHT EQUIPMENT VALUE COMPUTATION
 Allocated Value Summary
(See Reverse Side for Instructions)

CARRIER			COUNTY		AIRPORT		LIEN DATE	
A	B	C	D	E	F	G	H	I
NO. OF AIRCRAFT	AIRCRAFT TYPE	TOTAL TIME REPORTED ON FORM BOE-570-1, COLUMN G	MAJOR MAINTENANCE TIME FOR OVERHAUL	TOTAL ALLOCATED TIME =(C+D)	TOTAL TIME =(A x 525,600)	AIRPORT ALLOCATION FACTOR =(E/F)	AIRCRAFT TAXABLE VALUE VALUE (Assessor's Use Only)	AIRPORT ALLOCATED VALUE =(GxH) (Assessor's Use Only)
TOTAL								

RETURN THIS FORM WITH THE BUSINESS PROPERTY STATEMENT

INSTRUCTIONS FOR COMPLETING BOE-570-2
Complete one sheet for each airport

- Column A.** List the number of aircraft in each sub-fleet as of the lien date for the reporting year.
- Column B.** Enter the aircraft sub-fleet type name.
- Column C.** Enter the total time allocated to this airport as shown in Column G of form BOE-570-1.
- Column D.** Enter major maintenance time as calculated by sub-fleet type. Only maintenance that requires the aircraft to be taken out of revenue service shall be reported here. The time entered should be shown as a negative amount.
- Column E.** Add the time in Column C to the time in Column D
- Column F.** Calculate total available time by multiplying Column A, number of aircraft, by 525,600, the total number of minutes in one year.
- Column G.** Calculate the airport allocation factor by dividing Column E by Column F.
- Column H.** The taxable value of the carrier's entire fleet of each type of aircraft will be determined by the Assessor and entered in this column.
- Column I.** The Assessor will multiply the total factor in Column G by the taxable value in Column H and enter the result here.

DRAFT