



STATE OF CALIFORNIA

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August 5, 1980

No. 80/119

TO COUNTY ASSESSORS:

GENERAL AIRCRAFT AND CERTIFICATED AIR CARRIERS,
ASSEMBLY BILL 1994

Assembly Bill 1994 (Chapter 610, Statutes of 1980) was signed by the Governor on July 17, 1980 and, as urgency legislation, took effect immediately.

This bill makes three changes of importance to county assessors which apply to the 1980-81 assessment roll.

- (1) Amends Revenue and Taxation Code Section 1152 to provide that the time prior to a certificated aircraft's first revenue flight is excluded in computing the time in state allocation percentage.

Since this amendment is effective for 1980 assessments, it will be necessary to review your 1980 certificated air carrier assessments for recently acquired aircraft. It will then be necessary to contact those air carriers to determine whether any excludable air and ground time was included in computing the assessment.

The bill also provides for revenue loss reimbursement computed on the basis of a \$4 rate applied to the 1980-81 assessment reduction.

Reimbursements for future years will be based upon the previous year's reimbursement adjusted by a percentage equal to the State Reimbursement for Inventory Tax Factor as defined in Government Code Section 16113.

- (2) Amends Revenue and Taxation Code Sections 5391 and 5392 to provide that general aircraft will be taxed at the same rate and in the same manner as other personal property and collected in the same manner. The amendment applies to 1980-81 assessments.

The taxes will be calculated at the same rate as those for other property but they will still be distributed in accordance with Revenue and Taxation Code Sections 5451 and 5456.

- (3) By treating general aircraft like other personal property, those held for sale or lease in the normal course of business are eligible for the business inventory exemption. This also is effective as of the 1980 lien date.

The general aircraft that would have qualified for inventory exemption as of the 1979 lien date, had the law so provided, should be used in establishing a base amount for revenue loss reimbursement for 1980-81 and subsequent years.

Please direct any questions to Bud Florence of this division, (916) 445-4982.

Sincerely,

Verne Walton, Chief
Assessment Standards Division

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