

From: Leung, Terry
Sent: Tuesday, October 22, 2019 8:53 AM
Subject: Valuation of Certificated Aircraft

This message is sent on behalf of David Yeung, Property Tax Deputy Director of the State Board of Equalization.

On October 11, 2019, we sent an email to notify you that the Board of Equalization (BOE) staff initiated a project to promulgate an emergency regulation and produce forms and instructions that implement the newly established allocation formula for the valuation of certificated aircraft, pursuant to [Senate Bill \(SB\) 791 \(Stats. 2019, ch. 333\)](#).

As noted in the October 11th interested parties letter (see attached), the emergency regulation and the forms and instructions will be presented to the Board Members at the November 19, 2019 Board Meeting. We requested that interested parties provide suggested revisions to the draft documents by October 18, 2019, and we received minor comments on the draft forms and instructions. BOE agrees with the suggested edits to the forms and instructions; please see attached for the revised documents. We did not receive any comments on the draft rules.

The comments, along with all other documents regarding this project, are posted on the project webpage at <http://www.boe.ca.gov/proptaxes/valuation-of-certificated-aircraft.htm>. BOE staff regret the limited time to work with interested parties on this project, but as a reminder, interested parties will be able to submit further comments and revisions to the regulation when the regular rulemaking process has been initiated. We anticipate that to be January 2020. Subsequent revisions to the forms and instructions may also be considered in subsequent years using the process provided in section 1157.

If you have any questions regarding the proposed rule changes or proposed forms and instructions, please contact the County-Assessed Properties Division at 1-916-274-3350.

Thank you,

Terry Leung
STAFF SERVICES MANAGER



PROPERTY TAX DEPARTMENT
1-916-274-3366

SUPPLEMENTARY SCHEDULE TO THE BUSINESS PROPERTY STATEMENT
BOE-570-1
AIR CARRIER'S OPERATION REPORT
 Flight Detail Activity Period Calendar Year _____
 (See Reverse Side for Instructions)

CARRIER		AIRCRAFT TYPE		COUNTY		AIRPORT
A	B	C	D	E	F	G
AIRCRAFT TYPE	ROUTE	ANNUAL NUMBER OF FLIGHTS	CA BOE FLIGHT TIME MINUTES BY ROUTE	TOTAL CA BOE FLIGHT TIME MINUTES [Cx D]	TOTAL GROUND MINUTES FOR THIS AIRPORT	TOTAL MINUTES TO BOE-570-2 [E+F]
TOTAL						

RETURN THIS FORM WITH THE BUSINESS PROPERTY STATEMENT

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.

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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.

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