

**Florida Department of Revenue
Tax Information Publication**

TIP 98A01-05

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**BEGINNING MAY 15, 1998, THE MAINTENANCE, REPAIR, SALE,
AND LEASE OF CERTAIN AIRCRAFT, PARTS AND EQUIPMENT ARE EXEMPT**

MAINTENANCE OR REPAIR OF AIRCRAFT

Since 1994, the amount charged customers for labor associated with the maintenance or repair of an aircraft with a maximum certified takeoff weight of more than **20,000 pounds** has been exempt from sales and use tax. This year the Legislature changed this exemption to include any:

- * fixed wing aircraft with a maximum certified takeoff weight of more than **15,000 pounds**; and,
- * rotary wing aircraft (e.g., helicopters) with a maximum certified takeoff weight of more than **10,000 pounds**.

EQUIPMENT USED IN AIRCRAFT REPAIR OR MAINTENANCE

A new exemption from sales and use tax applies to the sale of equipment used to maintain or repair fixed wing aircraft and rotary wing aircraft when the equipment:

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

FIXED WING AIRCRAFT SALES OR LEASES

A new exemption from sales and use tax applies to 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 Federal Aviation Administration regulations (Title 14, chapter I, part 121 or 129, Code of Federal Regulations).

The taxable status of aircraft leased by qualifying common carriers **prior to May 15, 1998** is based on the character of the lease as follows:

Operating Lease: If the lease contract requires periodic lease payments, any lease payment contractually-required to be paid on or after May 15, 1998 is exempt from Florida's sales and use tax;

Capital or Lease Purchase Lease: Lease payments arising from a capital or lease purchase lease executed before May 15, 1998 are subject to sales tax.

FOR MORE INFORMATION

This document is intended to alert you to the requirements contained in Florida laws and administrative rules. It does not by its own effect create rights or require compliance.

For more information call Tax Information Services, Monday - Friday, 8:00 a.m. to 5:00 p.m., ET, at 850-488-6800.

Hearing or speech impaired persons should call our TDD at 1-800-367-8331 or 850-922-1115.

For a detailed written response to your questions, write

**the Florida Department of Revenue, PO Box 7443,
Tallahassee, FL 32314-7443.**

**Also, visit our Web site at
<http://sun6.dms.state.fl.us/dor/> for forms and other
information.**

**Get tax forms quickly by FAX ON DEMAND. Call 850-922-3676,
twenty-four hours a day, seven days a week using your fax
machine handset and follow the instructions.**

References

HB 3171

Ch. 98-60, L.O.F.

Rule 12A-1.071(1), F.A.C.