

By the Committee on Commerce; and Senator Altman

577-04362-10

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1 A bill to be entitled

2 An act relating to the tax on sales, use, and other
3 transactions; amending s. 212.02, F.S.; defining the
4 term "fractional aircraft ownership program"; amending
5 s. 212.08, F.S.; providing tax exemptions on the sale
6 or use of aircraft primarily used in a fractional
7 aircraft ownership program and for the parts and labor
8 used in the maintenance, repair, and overhaul of such
9 aircraft; creating s. 212.0597, F.S.; providing a
10 maximum tax on the sale or use of fractional aircraft
11 ownership interests; providing an effective date.
12

13 WHEREAS, Florida has identified aviation and aerospace as
14 industries suitable for economic development, and

15 WHEREAS, Florida has determined that the synergy in the
16 space, aerospace, and aviation industries attracts the world's
17 leading businesses to the state, and

18 WHEREAS, Florida employs approximately 80,000 people in the
19 aviation and aerospace industries at an average annual wage of
20 \$52,000, and

21 WHEREAS, Florida has the third-largest aviation
22 maintenance, repair, and overhaul cluster in the United States
23 and has strategies directed toward expanding these aviation
24 support services, and

25 WHEREAS, Florida intends to remain competitive with other
26 states as additional innovative commercial air transportation
27 products are developed, NOW, THEREFORE,

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29 Be It Enacted by the Legislature of the State of Florida:

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Section 1. Subsection (34) is added to section 212.02, Florida Statutes, to read:

212.02 Definitions.—The following terms and phrases when used in this chapter have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

(34) "Fractional aircraft ownership program" means a program that meets the requirements of 14 C.F.R part 91, subpart K, relating to fractional ownership operations, except that the program must include a minimum of 25 aircraft owned or leased by the program manager and used in the program.

Section 2. Paragraph (ggg) is added to subsection (7) of section 212.08, Florida Statutes, to read:

212.08 Sales, rental, use, consumption, distribution, and storage tax; specified exemptions.—The sale at retail, the rental, the use, the consumption, the distribution, and the storage to be used or consumed in this state of the following are hereby specifically exempt from the tax imposed by this chapter.

(7) MISCELLANEOUS EXEMPTIONS.—Exemptions provided to any entity by this chapter do not inure to any transaction that is otherwise taxable under this chapter when payment is made by a representative or employee of the entity by any means, including, but not limited to, cash, check, or credit card, even when that representative or employee is subsequently reimbursed by the entity. In addition, exemptions provided to any entity by this subsection do not inure to any transaction that is otherwise taxable under this chapter unless the entity has

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59 obtained a sales tax exemption certificate from the department
60 or the entity obtains or provides other documentation as
61 required by the department. Eligible purchases or leases made
62 with such a certificate must be in strict compliance with this
63 subsection and departmental rules, and any person who makes an
64 exempt purchase with a certificate that is not in strict
65 compliance with this subsection and the rules is liable for and
66 shall pay the tax. The department may adopt rules to administer
67 this subsection.

68 (ggg) Fractional aircraft ownership programs.—The sale or
69 use of aircraft primarily used in a fractional aircraft
70 ownership program, and any parts or labor used in the
71 completion, maintenance, repair, or overhaul of such aircraft.
72 The exemption is not allowed unless the program manager of the
73 fractional aircraft ownership program furnishes the dealer with
74 a certificate stating that the lease, purchase, repair, or
75 maintenance is for aircraft primarily used in a fractional
76 aircraft ownership program and that the program manager
77 qualifies for the exemption. If a program manager makes tax-
78 exempt purchases on a continual basis, the program manager may
79 allow the dealer to keep the certificate on file. The program
80 manager must inform a dealer that keeps the certificate on file
81 if the program manager no longer qualifies for the exemption.
82 The department may adopt rules to administer this paragraph,
83 including rules determining the format of the certificate.

84 Section 3. Section 212.0597, Florida Statutes, is created
85 to read:

86 212.0597 Maximum tax on fractional aircraft ownership
87 interests.—The maximum tax imposed under this chapter, including

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88 any discretionary sales surtax under s. 212.055, is limited to
89 \$300 on the sale or use in this state of a fractional ownership
90 interest in aircraft pursuant to a fractional aircraft ownership
91 program. The tax applies to the total consideration paid for the
92 fractional ownership interest, including any amounts paid by the
93 fractional owner as monthly management or maintenance fees. The
94 tax applies only if the fractional ownership interest is sold by
95 or to the program manager of the fractional aircraft ownership
96 program, or if the fractional ownership interest is transferred
97 upon the approval of the program manager of the fractional
98 aircraft ownership program.

99 Section 4. This act shall take effect July 1, 2010.