



STATE BOARD OF EQUALIZATION

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Executive Director

November 28, 1989

No. 89/84

TO COUNTY ASSESSORS:

EXEMPTION FOR AIRCRAFT OF HISTORICAL SIGNIFICANCE

Three previous letters have been issued on this topic; letters to assessors 87/67, 88/36, and 89/22. The letters announced passage of this exemption, identified statutory provisions, discussed implementation procedures, and announced adoption of a statutory time frame for annual filing for the exemption.

In the interest of ensuring equitable application of the exemption, this letter provides the Board's additional interpretation of two parts within the existing statutory language contained in Revenue and Taxation Code Section 220.5. The two parts and the Board's recommended interpretation and procedure are as follows.

Part I - Existing Statutory Language

Revenue and Taxation Code Section 220.5(3):

"(3) The aircraft is available for display to the public at least 12 days during the 12-month period immediately preceding the lien date for the year for which the exemption is claimed. If the aircraft was first made available for public display less than 12 days prior to the lien date, the exemption may be granted if the claimant certifies in writing that the aircraft will be made available for public display at least 12 days during the 12-month period commencing with the first day the property was made available for public display."

Suggested interpretation of Section 220.5(3):

"Available for display to the public at least 12 days" shall be defined as: displayed or available for display for 12 periods with each period being four or more hours during one twenty-four hour day as described below:

- (1) If airworthy - at least 6 (A) displays of the 12 total.
- (2) If not airworthy and/or being restored - 12 (A) or (B) displays.

(A) "display" is defined as flown, taxied, or otherwise moved to a location other than the normal storage location for display to an organized group of persons, for an announced display to the general public, or for permanent display at a museum.

(B) "display" is defined as displayed in the normal storage location to an organized group of persons or as part of an announced display to the general public, or during posted day-time viewing periods of four or more hours with public accessibility.

Part II - Existing Statutory Language

Revenue and Taxation Code Section 220.5(c):

(c) When claiming an exemption pursuant to this section, the claimant shall provide all information required and answer all questions contained in an affidavit furnished by the assessor. The claimant shall sign and swear to the accuracy of the contents of the affidavit before either a notary public or the assessor or his or her designee, at the claimant's option. The assessor may require additional proof of the information or answers provided in the affidavit before allowing the exemption."

Suggested administrative procedure for Section 220.5(c):

After the initial application tax year, the applicant shall sign a "continuing qualification affidavit" sent by the assessor each year with compliance enforced by random audit.

Please contact the Business Property Technical Services Unit or the Exemptions Unit at (916) 445-4982 if you have additional questions or comments regarding this exemption.

Sincerely,



Verne Walton, Chief  
Assessment Standards Division

VW:sk