

## Code Sections 441 and 5362 Aircraft Assessment

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California Revenue and Taxation Code Sections 441 and 5362 requires the annual assessment of general aircraft (aircraft which is not a scheduled air carrier or air taxi) to the owners as of January 1 of each year.

### **Aircraft Property Statement**

The purpose of the Aircraft Property Statement is to provide the Assessor with information regarding the aircraft which will aid in the determination of Fair Market Value for the current year. This form is a legal affidavit for which the information provided is declared to be true under penalty of perjury.

Aircraft Property Statements are mailed to identified aircraft owners prior to January 1 and are required to be returned by April 1. The form should be completed in its entirety, with as much detail as possible regarding the current condition of the aircraft. Instructions and other general information are contained on the back of the form. Failure to file an Aircraft Property Statement will require the Assessor to estimate the market value of the aircraft and apply a mandatory penalty assessment (Revenue and Taxation Code Section 501 and 5367).

The Assessor is required to use retail market data in determining assessable values for aircraft. The Aircraft Bluebook provides retail values for aircraft in average condition with mid-time engine hours. These values are most often used as the starting point in the appraisal process. Information (current engine and airframe hours, status of paint and upholstery, etc.) provided on the Aircraft Property Statement will allow the Assessor to make appropriate value adjustments (if necessary) based on actual condition of the aircraft.

Additional information may be requested by the Assessor. After enrollment, taxpayer requests for value review must be submitted in writing with substantiating documentation.

If an aircraft was sold, destroyed, or permanently removed from Contra Costa prior to January 1, details should be provided by the assessee (owner) shown on the statement. The sale, removal, or destruction of an aircraft after the lien date (January 1) does not relieve the owner of tax liability for the coming fiscal year.

### **Aircraft Exemptions**

#### *Aircraft of Historical Significance*

"Aircraft of historical significance" means any aircraft which is original, restored, or a replica of a heavier-than-air-powered aircraft which is 35 years or older; or any aircraft of a type or model of which fewer than five are known to exist worldwide. Such aircraft are eligible for the "Historical Exemption" under Revenue and Taxation Code Section 220.5. Call the Aircraft Division for more information and application forms.

#### *Aircraft Not Based In California*

Any aircraft which is in California on the lien date solely for the purpose of being repaired, overhauled, modified, or serviced is exempt from personal property tax (Revenue and Taxation Code Section 220).

### **Q. What if my aircraft is out of state for repairs?**

*A. It is still taxable by Contra Costa if that is where the aircraft is normally based or operated. An aircraft being repaired is not exempt from taxation.*

**Q. Is aircraft which is out of Contra Costa on January 1 still taxable?**

*A. Yes, if home based in Contra Costa.*

**Q. What if my aircraft is incomplete?**

*A. If it is under construction and has never been flown, it will not be taxed. If it is under reconstruction, it will be taxed accordingly.*

**Q. Should I notify the Assessor's Office if I sell or permanently move my aircraft?**

*A. Yes. This information will help prevent you from receiving a tax bill on property you no longer own or which is no longer located in Contra Costa. You will need to supply the Assessor's Office with a copy of the bill of sale or verification of the new sites.*

**Q. What should I do if I disagree with the assessed value?**

*A. If you disagree with the value, call the Aircraft Division and speak with the appraiser, who will be glad to answer any questions you may have and review the appraisal.*

*If you still disagree with the value after the review, you may file an application for a hearing before the Board of Appeals. The application forms are available from the Clerk of the Assessment Appeals Board, 1025 Escobar Street, First Floor, Martinez, CA 94553 (phone (925) 655-2008). The filing period for assessment appeals is from July 2 to November 30.*