



AIRCRAFT REGISTRATION FEES AND PERSONAL PROPERTY TAXES

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When most entities are purchasing an aircraft they are aware of the state and local sales taxes, however aircraft registration fees and personal property taxes are often overlooked. Since these taxes and fees are imposed annually and can be significant, it is wise to understand how and when they are applied.

Aircraft registrations fees are either annual or bi-annual, while personal property taxes are an annual tax. Most states impose either the aircraft registration fee or the personal property tax with only Virginia, Alaska and Utah applying both. Colorado, Delaware, Florida, Maryland, New Jersey, New York, Pennsylvania and Vermont do not impose either.

Aircraft Registration Fees

These fees are imposed by the state and in over half the states they are dedicated to an aviation trust fund. Twenty-six states impose some form of an aircraft registration fee with eight states imposing this fee in-lieu of a personal property tax. As you will see below, some states use the aircraft registration fees to keep track of the aircraft, while other states derive significant revenue from these fees.

AK, \$50 per year	MT, based on type, weight & age of aircraft
AZ, \$5 + .5% of fair market value	NH, \$30/year, plus an operating fee
CT, based on weight of aircraft	NM, based on gross weight of aircraft and decreases over time
HI, \$10 per year	ND, based on year of manufacture and gross weight of aircraft
ID, \$0.01 per pound not to exceed \$200	OH, based on seating capacity of aircraft
IL, \$20 every other year	OR, based on type of aircraft
IN, \$10 annual, plus an aircraft license tax based on age, type & weight of aircraft	OK, \$10 - \$15,000, fees are reduced 10% every year to a minimum of 50%
IA, 1% of manufacturers list price not to exceed \$5,000, depreciating down to 25% of 1% over a period of 4 years.	RI, \$30 - \$250 based on weight of aircraft
ME, \$10 per year	SD, based on gross weight of aircraft
MA, \$75-\$225, based on weight of aircraft	UT, \$25 per year
MI, \$0.01 per pound based on weight of aircraft	VA, \$5/year non-commercial, \$10/year commercial
MN, 1% of Fair Market Value, depreciating down to 25% of 1% over a period of seven years	WA, \$4 filing fee & an excise tax based on type of aircraft
MS, based on type, weight & age of aircraft	WI, \$30 - \$3,125 based on weight of aircraft



Personal Property Taxes

Personal property taxes are generally imposed by the county, borough or parish where the aircraft is domiciled, not necessarily where the aircraft is registered. Since these taxes tend to be significant, it is wise to take them into account when determining where to domicile or hangar your aircraft. Below you will see that in some states the assessment is on the full Fair Market Value (FMV) of the aircraft and in some cases it is imposed on a percentage of the FMV.

AL, 20% of aircraft value x millage ¹ rate	NV, 33.3% of RCNLD ² x a county rate
AK, FMV x a millage rate	NC, appraised at true value in money x a combined county, school & others tax rate
AR, FMV x a millage rate	SC, 10.5% of blue book value x a county rate
CA, 1.07% x FMV	TN, an assessment based on type of use x a rate per \$100 of assessed value.
GA, 40% of FMV x a millage rate	TX, assessed value based on time spent in TX x a county rate
KS, .5% - 1% of FMV	UT, 1% of average wholesale market rate
LA, assessed value x a millage rate	VA, FMV x a rate per \$100
MO, 33.3% of FMV x a rate per \$100, however, special rule for aircraft that weigh more than 10,000 pounds.	WV, \$0.01/\$100 of valuation
NE, FMV x a millage rate	WY, 9.5% of average retail x a millage rate

Next month I will begin a series of articles on state sales and use taxes on aircraft ownership and operation. Keep in mind when doing your tax planning that aircraft registration fees and personal property taxes are imposed annually, while state sales and use taxes are generally a one-time tax on the purchase of an aircraft.

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¹ Millage Rate = a multiple of \$1,000, i.e., 6 mills equals a multiplier of .006.

² RCNLD = Replacement Cost New Less Depreciation