

Name _____

County: _____

**ASSESSMENT OF GENERAL AIRCRAFT
SELF-STUDY TRAINING SESSION**

REVIEW QUESTIONS

1. For purposes of property taxation, general aircraft are classified as:
 - a. Real property
 - b. Improvement
 - c. Exempt property
 - d. Personal property

2. Personal property is defined by exception. Personal property is all property except: [Mark all that apply]
 - a. Real estate
 - b. Improvement
 - c. Exempt property
 - d. Trade fixtures

3. Revenue and Taxation Code section 5303 defines *aircraft* as any contrivance used or designed for the navigation of or for flight in the air which has been flown as: [Mark all that apply]
 - a. Air taxis, as defined in section 1154
 - b. Aircraft operated exclusively by certified air carriers
 - c. Rocket or missiles
 - d. At least once, other than a parachute or similar emergency safety device

4. Once flown, aircraft include the following: [Mark all that apply]
 - a. Ultra-lights
 - b. Hang gliders
 - c. Hot air balloons
 - d. Rockets or missiles
 - e. All of the above

5. Aircraft used by an air carrier which does not utilize aircraft having a maximum passenger capacity of more than 30 seats or a maximum of payload capacity of more than 7,500 pounds in air transportation and which does not hold a certificate of public convenience and necessity is an_____.
6. A place where property is legally situated is referred to as_____.
7. The location where an aircraft is habitually situated is the airport at which the aircraft spends most of its ground time when not in flight.
- True
- False
8. The annual lien date is March 1. Personal property is assessable only if taxable on this date.
- True
- False
9. Unlike most types of personal property, there is no requirement that an aircraft be used for business purposes to be: [Mark all that apply]
- a. Valued as a commercial aircraft
- b. Assessable
- c. Exempt from special assessment
- d. General transportation
- e. Used for other needs as required
10. Aircraft should be included on the regular secured assessment roll and enrolled as unsecured property.
- True
- False
11. Advantages of enrolling aircraft in a separate section on the unsecured roll include: [Mark all that apply]
- a. Avoiding the necessity of adding the tax on the aircraft to an impound account when a lending institution pays the tax on the real property and secured personal property.
- b. Simplifying roll-searching for the assessor, tax collector, and others when a permanently assigned block of assessment numbers serves to identify aircraft.
- c. Eliminating taxpayer confusion that often occurs when the value of an aircraft is included in the total real property value of other types of taxable personal property.
- d. Making statistical data more readily available.
- e. All of the above

12. Of the seven factors involved in making an assessment, the appraiser only needs to consider five with respect to aircraft. Which two are already determined due to the nature of aircraft?
- a. Assessability
 - b. Assessee
 - c. Situs
 - d. Description
 - e. Classification
 - f. Security
 - g. Value
13. An aircraft can be exempt from property taxation by reason of its ownership, use, and or type.
- True
 - False
14. An aircraft with an active registration with the FAA but not in flyable condition is not assessable.
- True
 - False
15. Unless the assessee intentionally evades taxation, an assessment must normally be made within what assessment period?
- a. 90 days after discovery by the assessor
 - b. 180 days after the filing the aircraft statement
 - c. Within four years of the assessment period in which the property escaped assessment or was underassessed.
 - d. 90 days after verification of an active registration by FAA
 - e. Anytime after reporting to the assessor's office
16. Assessments are usually made in the name of the person listed as the owner of record as of the _____.
17. Owners who sell their aircraft after the lien date are not liable for the taxes as of the date of sale.
- True
 - False

18. An accurate assessment requires a description of the property. The primary source of descriptive information for an appraiser is on:
- a. Airport Manager's Report
 - b. Annual forms filed by aircraft owners
 - c. FAA aircraft notices
 - d. Department of Transportation Report
19. For aircraft, an appraiser's most important function is to determine the _____ of the aircraft as of the lien date.
20. The terms "fair market value" and "base year value" have the same meaning in property tax law.
- True
 - False
21. Although the means of discovery may differ from county to county, the primary sources of information for aircraft are: [Mark all that apply]
- a. FAA registration lists
 - b. Referrals from other counties
 - c. Airport owners' and operators' reports
 - d. Field canvassing
 - e. Field appraisers
22. Airport owners are required to provide to the assessor: [Mark all that apply]
- a. Engine hours of aircraft
 - b. Owner's name and address
 - c. Condition of aircraft
 - d. Purchase price and date of purchase of aircraft
 - e. All of the above
23. A technique that involves physically viewing aircraft where they are located is called _____.
24. Field-canvassing airports, landing strips, and other areas is useful in determining FAA numbers and discovering where ultralights, hang gliders, and power hang gliders are known to be situated.
- True
 - False

25. County assessors often receive information from a taxpayer indicating that an aircraft has been relocated to another county. This information can be useful in determining accurate _____.
26. What information does the FAA monthly registration list provide?
- a. _____
 - b. _____
 - c. _____
27. Upon request of the assessor of the county in which an aircraft is habitually based, the owner must file with the assessor a statement setting forth the make, model, and year of manufacture of the aircraft. This document is referred to as a business property statement.
- True
 - False
28. If any person who is requested by the assessor to file a statement fails to file such statement by the time specified by the assessor, a penalty of 10 percent of the base year value of the unreported aircraft shall be added to the value of the aircraft on the current roll.
- True
 - False
29. Unlike most real property, the assessment of aircraft is governed by the base year value limitations of article XIII A of the California Constitution.
- True
 - False
30. The fundamental principles of appraisal apply to the valuation of aircraft as they do to any other personal or real property. The primary approaches to value are: [Mark all that apply]
- a. Replacement or reproduction cost approach
 - b. Comparative sales approach
 - c. Common price approach
 - d. Income approach
 - e. All of the above
31. The common price approach is the method of valuation most frequently relied on when no reliable sales data are available.
- True
 - False

32. The cost approach method typically used by assessors estimates the value of an aircraft based on its original or historical cost.
- True
- False
33. The _____ approach may be defined as an approach that uses direct evidence of the market's opinion of value of a property.
34. The listed retail values shown in the value guides should be reduced by 15 percent to account for dealer incentives and reconditioning to value an aircraft in average condition on the lien date.
- True
- False
35. When _____ are available, whether from sales found in the local marketplace, published value guides, or other sources, the _____ approach may be preferable to other value approaches.
36. The income approach to value includes any method of converting an actual income stream into a present value estimate. The income approach generally is less effective in valuing aircraft than other methods.
- True
- False
37. The State Board of Equalization has approved the *Aircraft Bluebook-Price Digest* as the primary guide for valuing general aircraft and the *Vref Aircraft Value Reference* as an alternate.
- True
- False
38. Which versions of the *Aircraft Bluebook-Price Digest* and the *Vref Aircraft Value Reference* are recommended by the Board for valuing aircraft.
- a. _____
- b. _____
39. Various Internet websites show current listings of aircraft for sale. This information can provide the appraiser with _____ information.

40. There are extreme variations in the value of an aircraft considering the amount of time before a major engine overhaul is required.
- True
 False
41. If an aircraft has been damaged or destroyed by a misfortune or calamity, in all counties the owner may request that the aircraft be reassessed downward to reflect its current value in the damaged condition.
- True
 False
42. General aircraft are governed by the same statutes and regulations for assessment appeals purposes as all other property that are subject to local property taxation. Aircraft owners must file a form with the local county assessor to initiate the equalization process.
- True
 False
43. Since aircraft are classified as mobile personal property, one of the most important duties of the appraiser is to determine an _____.
44. Lien date location means that property has acquired tax situs, and, thus the taxation of an aircraft must be based on the fact that it is to some extent kept or maintained in California, rather than here casually or in transit.
- True
 False
45. When an aircraft divides its time between two or more airports in California, situs becomes determinable based on a time test and the taxes are apportioned accordingly.
- True
 False
46. If an aircraft establishes tax situs both in California and outside California, then the aircraft is assessed: [Mark all that apply]
- a. By the appropriate jurisdiction within California based on 100 percent of the value of the aircraft
- b. By the appropriate jurisdiction outside of California based on 100 percent of the value of the aircraft
- c. By the appropriate jurisdiction in California and the appropriate jurisdiction outside of California each based on 100 percent of the value of the aircraft
- d. None of the above

47. The court held that the determinative factors in the "*Ice Capades*" case include the location of the aircraft, the aircraft's length of time in the state, the owner's intent to bring the aircraft into the county, and the owner's contact with the state.

- True
- False

48. If the owner is domiciled in California, the county may assess portions of the aircraft value reflecting the portion of the year that the aircraft is present in California and the portion of the year that the aircraft operates in the states or foreign countries where the aircraft has not established tax situs if the following provisions are met: [Mark all that apply]

- a. Is predominantly located in California during the year
- b. Has established a tax situs in another state, states, or foreign country
- c. Operates in other states or foreign countries and has established tax situs in those states or foreign countries
- d. Has established a tax situs in California
- e. All of the above

49. To assist the appraiser in determining situs of the aircraft for allocation purposes, the appraiser may request certain documents from the taxpayer. Documents that may be useful include: [Mark all that apply]

- a. FAA command pilot's license
- b. Flight or maintenance logs
- c. Income tax returns
- d. Tie-down receipt
- e. All of the above

50. If proper documentation for a new situs is provided, the aircraft assessment should then be cancelled via an assessment role change.

- True
- False

51. If an aircraft is present in the county on the lien date and had tax situs in the county for one or more of the preceding assessment years, then it will have current taxable situs in the county even if it is removed prior to the start of the new calendar year.

- True
- False

52. Certificated aircraft owned by a commercial air carrier are assessable as general aircraft if the what provisions are met? [Mark all that apply]

- a. Aircraft has an established tax situs in California and is solely situated in or habitually situated in the county on the lien date
- b. Aircraft is grounded for more than 30 days because of maintenance.
- c. Aircraft is taken out of scheduled service and grounded in the county prior to lien date.
- d. Aircraft is flown during the representative period.
- e. All of the above

53. Personal property may be exempt from taxation by reason of its _____.

54. To be eligible for the business inventory exemption, the aircraft must be either held for sale or lease in the ordinary course of business on the lien date.

- True
- False

55. A dealer who operates an air taxi service must file a Department of Transportation form OST-4507 with the department.

- True
- False

56. The typical turnover time period a dealer requires to sell an aircraft is _____.

57. An aircraft qualifies for the business inventory exemption if it meets the provisions of Revenue and Taxation Code section 129 and Rule 133.

- True
- False

58. Any aircraft which is an original, restored, or replica of a heavier than air powered aircraft which is 35 years or older, or any aircraft of a type or model of which there are fewer than five in number known to exist worldwide is an _____.

59. The aircraft of historical significance exemption will only apply if which conditions are met? [Mark all that apply]
- a. 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.
 - b. The assessee is an individual owner or corporation who does not hold the aircraft primarily for purposes of sale.
 - c. The assessee does not use the aircraft for commercial purposes or general transportation.
 - d. All of the above.
60. Available for display to the public means actual display or documented willingness to display at: [Mark all that apply]
- a. A special designated area set aside for historical aircraft open to public.
 - b. An organized air show.
 - c. A museum.
 - d. All of the above.
61. An owner's homesite can never be used to accommodate public viewing for purposes of the historical aircraft exemption.
- True
 - False
62. For anticipated display in the initial qualifying year, the applicant need only certify that the aircraft will be made available for display at least 30 days in order to qualify for the historical aircraft exemption.
- True
 - False
63. _____ means conveyance of or travel from one place to another.
64. Which of the following flights would be considered general transportation? [Mark all that apply]
- a. Maintenance-related flying
 - b. Recreational flying
 - c. Flights to and from historical aircraft shows
 - d. Primary purpose of the flight is to transport passengers or goods from one location to another.
 - e. All of the above

65. An aircraft may qualify for the historical significance exemption if the aircraft is used for either general transportation or commercial use.
- True
 False
66. Any aircraft which is in California on the lien date solely for the purpose of being repaired, overhauled, modified, or serviced is exempt, including aircraft normally based in California, or operated intrastate or interstate in and into California.
- True
 False
67. A separate application and fee is required for each aircraft claiming the historical aircraft exemption even if the aircraft is returning to a taxing jurisdiction where the fee had previously been paid.
- True
 False
68. The *Claim for Exemption from Property Taxes of Aircraft of Historical Significance* must be signed in the presence of the _____, or a notary public or the assessor's designated agent.
69. The aerospace museum exemption will not apply unless the property was made available for public display in the aerospace museum for a period of 30 days during the 12-month period immediately preceding the lien date for the year for which the exemption is claimed.
- True
 False
70. Aircraft owned by which of the following are exempt from property taxation? [Mark all that apply]
- a. Official representative of any foreign government
 b. City or district
 c. Any foreign government
 d. United States government
 e. Public corporation
 f. State of California
 g. Consul or other official representative of any foreign government
 h. All of the above