

From: Scriven, Kathy <KScriven@CO.YUBA.CA.US>
Sent: Monday, August 06, 2018 9:47 AM
To: Spence, Nichole
Subject: Chapter 9 - Aircraft of Historical Significance Exemption

Nicole,

This is in response to LTA 2018/036 General Exemptions Update.

Would it be possible to get a definition/explanation of “Recreational flying” – Chapter 9, AH 260, Line 13?

BACKGROUND:

After a review of our Historical Aircraft Exemptions, we learned that we had not been applying the exemption properly. The review came about because we had a HUGE surge (like 3x's) of taxpayers requesting the exemption for the 2016 Tax Year.

With that huge surge, I wanted to find out WHY these taxpayers all of a sudden thought they qualified for the exemption. I discovered that year the Yuba and Sutter Airports started having “display days” from 10-2 on the 1st Saturday of each month. The display days would alternate monthly between the Yuba & Sutter Airports. These 2 airports are a 2 minute flight time between the 2. The *organizer* of the display day was telling airplane owners that if their airplane was >35 years old they could display their airplanes at these display days and they'd be exempt from property taxes.

In discussions with several taxpayers, I found that they'd use their aircraft, just as any other owner would. The aircraft were “typical” Cessna, Piper or Beechcraft airplane, nothing special about it, only that they were >35 years old. They were attending these display days – or saying they were – and having the organizer sign the exemption form. The flight hours used to fly to and from these 2 display days was less than ½ an hour annually, but some of them had been reporting using the aircraft for 30-200 hours annually.

When I questioned what they were using the aircraft for, they'd say, “Just what any other airplane owner would...to fly places.” I didn't think that this was the intent of the exemption...to exempt “old typical” airplanes by way of having a display day specifically held to help people receive the exemption.

I requested assistance from the SBE's exemption department, and I was told that if they were using the aircraft to carry themselves from 1 airport to another as a means of transportation, other than to fly to airshows, that would make them ineligible for the exemption because that fell under “general transportation”. I had not known that, and with that information, I started scrutinizing the hours flown and questioning how the owners had used their airplanes.

When I talked to the owners, several of them said that “of course they used their aircraft for travel...why else would we have an airplane?” I explained that they couldn't use it for “general transportation”, and some of them understood the reason as to why they were being denied the exemption.

Now, several of them are now saying that they use it for "recreational flying" because it was pointed out to them that the term was an acceptable use in order to get the exemption. They are stating that they feel that recreational flying means they can use the aircraft for their personal transportation.

Anyway...if the term "Recreational Flying" could be defined or expanded on, I believe that some of our issues could be cleared up.

Please feel free to give me a call if you have any questions.

Thank you for your time!



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