

House Engrossed

aircraft taxation; fair market value

State of Arizona
House of Representatives
Fifty-fifth Legislature
Second Regular Session
2022

HOUSE BILL 2646

AN ACT

AMENDING SECTION 28-8335, ARIZONA REVISED STATUTES; RELATING TO AIRCRAFT
REGISTRATION AND TAXATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 28-8335, Arizona Revised Statutes, is amended to
3 read:

4 28-8335. License tax; tax rate

5 A. An annual license tax is imposed on all aircraft based in this
6 state and required to be registered pursuant to this article, unless an
7 exemption for the aircraft is established pursuant to this article. The
8 license tax is payable to the department on initial registration and
9 annually on or before the last day of February.

10 B. Except as provided in sections 28-8336, ~~through 28-8337,~~
11 ~~28-8338, 28-8339, 28-8340 AND~~ 28-8341, the department shall determine and
12 assess the license tax prescribed by subsection A of this section on the
13 basis of one-half ~~percent~~ PERCENT of the average fair market value of the
14 particular make, model and year of aircraft. ~~THE AVERAGE FAIR MARKET~~
15 ~~VALUE:~~

16 1. MAY NOT HAVE AN ANNUAL PERCENTAGE CHANGE THAT IS MORE THAN THE
17 ANNUAL PERCENTAGE CHANGE IN THE AVERAGE CONSUMER PRICE INDEX AS PUBLISHED
18 BY THE UNITED STATES DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS.

19 2. IN FISCAL YEAR 2021-2022, SHALL BE BENCHMARKED TO WHAT THE
20 AVERAGE FAIR MARKET VALUE OF THE AIRCRAFT WAS IN 2019.

21 C. The tax assessed under this ~~subsection~~ SECTION shall ~~not~~ be ~~less~~
22 ~~than twenty dollars~~ AT LEAST \$20 for a full year of registration.

23 Sec. 2. Aircraft taxation; market value; department of
24 transportation; registration credit

25 In fiscal year 2021-2022, if a person pays an aircraft's annual
26 license tax before the effective date of this act, and the aircraft's
27 average fair market value has an annual percentage change that is more
28 than the annual percentage change in the average consumer price index as
29 published by the United States department of labor, bureau of labor
30 statistics, using 2019 as a benchmark to what the average fair market
31 value of the aircraft was in 2019, the department of transportation shall
32 offer the person a credit to be applied toward the aircraft registration
33 fees in fiscal year 2022-2023. The credit shall be the difference between
34 the amount that the person paid based on the aircraft's actual average
35 fair market value and the amount that the person would have paid based on
36 the aircraft's consumer price index adjusted fair market value as
37 described by section 28-8335, subsection B, Arizona Revised Statutes, as
38 amended by this act.