

REFERENCE TITLE: aircraft taxation; fair market value

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

## **HB 2646**

Introduced by  
Representative Grantham

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 ~~per cent~~ 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.