

October 8, 2008

TO: Robert Chung, Deputy Director CTC Liaison
FROM: Division of Aeronautics Staff
SUBJECT: Annual CTC Report Update

Issue: This memo is in response to your request to update the “Existing State Aviation Funding” portion of the Aeronautics chapter of the Commission’s 2008 Annual Report found on page 3. The only “firm” number to date is for the Excise Tax of \$7.46 million, which was obtained by summing transfer amounts made to the Aeronautics Account.

Background: The latest information gathered to date is from fiscal year 2001/2002, which has been used in presentations and past Annual Updates. Current numbers are needed.

Initial Plan and Research: Because the information is rarely collected and is dependent on others to provide, the remaining numbers may take a while longer to generate. Following is the current status:

Local Property Tax—Staff needs a few more county aircraft assessors’ lists in order to estimate property tax levels (assuming all taxes are collected). Also will pursue numbers from county tax collectors offices.

Possessory Interest—Staff has begun contacting county tax collectors offices to determine this statewide amount.

General Aviation Aircraft Sales Tax and Aviation Jet Fuel Sales Tax—Board of Equalization (BOE) staff has been assigned to work on obtaining these numbers for us. Staff changes and accounting modifications have created delays.

Plan:

1. Continue to contact the remaining county assessor’s offices regarding aircraft assessed values.
2. Continue to contact county tax collector’s offices to obtain any possessory interest tax amounts (and aircraft property taxes, if available).
3. Continue contacting BOE staff to obtain aircraft sales tax and jet fuel sales tax numbers.
4. Work with staff at all government levels to determine the most efficient way to regularly update these numbers.
5. It may take up to a couple of months to obtain these numbers. Staff will contact you with the information if it is retrieved sooner.