

**7110L0037D12 [Tax Type: Sales] [Document Type: Letter/Memo]
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aircraft (16) spray (1)

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Texas Comptroller of Public Accounts STAR System

7110L0037D12
COMPTROLLER OF PUBLIC ACCOUNTS
STATE OF TEXAS
AUSTIN, TEXAS 78774

October 19, 1971

Dear *****:

A letter from this department to you under the date of May 25, 1964, in reference to the application of the Limited Sales Tax to **Aircraft** contains one substantial error.

The use of an **aircraft** by a certificated carrier for flight training does cause the purchase price of the **aircraft** to become subject to the tax.

The taxable and non taxable uses of **aircraft** regularly encountered in operations of **aircraft** dealers and flying services are summarized herein.

Non taxable uses include:

1. Demonstration of an **aircraft** for sale;
2. Lease of an **aircraft**; however, the receipts from the lease are subject to the tax.
3. Movement of an **aircraft** to another location for demonstration, sale, or lease;
4. Use of **aircraft** in the production of agricultural crops such as dusting or **spraying**;
5. Use of **aircraft** by a certificated carrier in conducting his business as a carrier; this includes charter flights, delivery of passengers or cargo for hire, business trips in regard to the carrier operations, and training flights for employees of the carrier operations.

Taxable uses for **aircraft** include:

1. Personal use by the owner or employees;
2. Charter flights or other business flights by a person not licensed or certificated as a carrier;
3. Use in the operation of a flight school including dual instruction and solo flights as a part of a course of instruction; solo flights, not a part of a course of instruction are considered as leases or rentals.
4. Business uses not directly related to the operation of a certificated carrier business.

When a **aircraft** purchased tax free is subjected to a taxable use, the total purchase price becomes subject to the tax at the time and at the rate in effect at the first taxable use.

When an **aircraft** leased tax free is subjected to a taxable use, the lease payment for the lease period in which the taxable use occurs becomes subject to the tax.

As our letter of May 25, 1964, constituted a special ruling, it will be honored for the persons who are known to have received the letter and acted in good faith in following the instructions therein.

This letter supersedes and amends the letter of May 25, 1964 and any use after this date of an **aircraft** in the operation of a flight school causes the purchase price of the **aircraft** to become subject to the tax. This applies to all **aircraft** purchased on or after September 1, 1961.

Any further correspondence on this subject should be referenced to the attention of the Sales Tax Division, File FA or telephone number 512/475-3825.

Very truly yours,
Robert S. Calvert
Comptroller of Public Accounts

ACCESSION NUMBER: 7110L0037D12
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DOCUMENT TYPE: L
DATE: 10/01/1971
TAX TYPE: SALES

**6807L0008D01 [Tax Type: Sales] [Document Type: Letter/Memo]
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crop (1) crop dusting plane (0) dusting (1) plane (0)

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Texas Comptroller of Public Accounts STAR System

6807L0008D01

Date July 9, 1968

TO: Field Operations

ATTENTION: Mr. Bob Thompson

FROM: Sales Tax Division

SUBJECT: *****
*****, Texas
Field Audit *****

The referenced audit has been reviewed and based on the information included in the audit, we do not consider the helicopters to be subject to the tax.

The exemption for aircraft is set out in Article 20.04(P) and Ruling No. 14. This Division and the Hearings Division has considered the exemption to extend to any use in the normal operation of the carrier service, including executive use. The exemption does not require exclusive use in the carrier operations so any other uses would not subject the aircraft to the tax if substantially all the uses were on behalf of the carrier operations or otherwise exempt.

The uses to herd cattle on a ranch and **crop** < **dusting** are exempt as farm equipment and use to carry freight of any type is use in the carrier operation.

If the auditor wishes, he may furnish any additional information before we forward the amended audit to the taxpayer.

Roland R. Nabors, Director
Limited Sales and Use Tax

ACCESSION NUMBER: 6807L0008D01
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