

8130.6000 AIRFLIGHT EQUIPMENT.

Subpart 1. **General rule.** Sales of airflight equipment to, and the storage, use, or other consumption of such property by airline companies which are subject to tax under Minnesota Statutes, sections 270.071 to 270.079 (hereinafter airflight property tax), are exempt. This part identifies the airflight equipment that is exempted from tax imposed by Minnesota Statutes, section 297A.62.

Subp. 2. **Definitions.** The definitions in this subpart apply to this part.

A. "Aircraft" means a contrivance used or designed for the navigation of or flight in the air.

B. "Airflight equipment" means airplanes, aircraft communications and navigational equipment, flight crew equipment, flight simulators, hydraulics equipment, and all parts that are affixed and become component parts including hydraulic fluid, parts necessary for the repair and maintenance of the listed equipment, and any other property subject to assessment under Minnesota airflight property tax. Airflight equipment does not include airplanes with a gross weight of less than 30,000 pounds that are used on intermittent or irregularly timed flights, lubricants, repair equipment and tools, ramp equipment, or other equipment such as broilers, dishes, food boxes, thermos jugs, blankets, and other equipment not subject to assessment under Minnesota airflight property tax.

C. "Airline company" means a person who undertakes, directly or indirectly, to:

(1) engage in the business of transportation by aircraft of persons or property for hire in interstate, intrastate, or international transportation on regularly scheduled flights or on intermittent or irregularly timed flights;

(2) engage in the business of intermittent or irregularly timed flights, flights arranged at the convenience of an airline and a person contracting for transportation, or charter flights making three or more flights into or out of Minnesota in a year; or

(3) hold out to the public that it will undertake to transport property or persons as an air carrier, and enter into contracts wherein it binds itself to so transport property or persons.

Airline company does not include a person who furnishes casual transportation for hire by aircraft commonly owned and used for private airflight purposes if the person furnishing the transportation does not hold itself out to be engaged regularly in air transportation for hire.

D. "Indirectly" means to hold out to the public that a person will undertake to transport persons or property by air and enter into contracts with shippers wherein the person binds itself to discharge such undertakings with regard to particular shipments. Indirect air carriers include travel agents, tour operators, and social clubs which sell tours or air

transportation, air freight forwarders and others who were subject to rate regulation, or others who operate very much like an air carrier.

Subp. 3. **Exemptions.** An airline company is exempt from sales and use tax when it purchases airflight equipment if it is subject to Minnesota airflight property tax on those purchases. The purchase of flight simulators is specifically exempted in Minnesota Statutes, section 297A.82, subdivision 4, paragraph (d). If an airline company is exempt from airflight property tax, its purchases of airflight property are subject to sales and use tax.

Statutory Authority: *MS s 14.388; 270.06; 270C.06; 297A.29*

History: *18 SR 2044; L 2005 c 151 art 1 s 114; 31 SR 449*

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