



# Aircraft Tax

BUSINESS TAX INFORMATION

*This publication is designed to help you understand the legal requirements as an aircraft owner or pilot in Washington State. It provides general information about registration and taxes for aircraft. The information is current at the time of publication, but future changes may invalidate some of the information. The publication does not cover every aspect and is intended for general informational purposes only; it does not alter or supersede any administrative regulations or rulings issued by the Department of Revenue.*



## SALES AND USE TAX

Most Washington residents are familiar with sales tax, which applies to retail sales in this state. But few are familiar with use tax, which applies to the use of goods in Washington when sales tax has not been paid. Use tax is calculated at the same rate as sales tax. The intent is that articles purchased at retail for use in this state are subject to either sales or use tax, but not both.

As a general rule, sales or use tax is due on aircraft unless a specific exemption applies. Sales tax is due on the selling price. If sales tax was not paid, use tax is due on the value of the aircraft at the time of first use in Washington.

If you traded in an aircraft when you purchased your present aircraft, the amount subject to sales or use tax is reduced by the value of the trade-in. If you have already paid sales or use tax in another state, you are entitled to a credit for that amount against the amount of use tax due in Washington.

If your aircraft is home-built, use tax is due on the value of the materials used to build it. You may receive credit against the use tax for any sales tax you paid on the materials.



## SALES OR USE TAX IS DUE ON:

### NONEXCLUSIVE LIST

- Aircraft for personal use
- Aircraft charter scenic tours or other guided excursions
- Aircraft for any business purpose, other than interstate or foreign transportation for hire (see exemptions)
- Aircraft for flying lessons

## SALES OR USE TAX IS NOT DUE ON:

### TAX EXEMPTIONS

- Aircraft acquired by gift if the donor paid sales or use tax on the aircraft.
- Aircraft brought into Washington by nonresidents for their use or enjoyment while temporarily within this state. Temporarily means no more than 90 days in any continuous 12 month period.
- Aircraft purchased or used primarily (more than 50 percent of the time) for interstate or foreign commerce by transporting persons or property for hire.
- Aircraft purchased exclusively for the purpose of renting or leasing on a bare-rental basis, i.e., without a pilot. In this case, the lessor must collect retail sales tax on the lease payments from the lessee.
- Aircraft owned by a nonprofit exempt from federal income tax under 26 U.S.C Sec. 501(c)(3), used exclusively to provide emergency medical transportation services.

## PAYMENT OF TAX

If you bought your aircraft from a Washington dealer, you should have paid sales tax at the time of the purchase. If you bought your aircraft in another state or from a private party, you may not have paid sales tax. In this case, you are liable for use tax unless one of the exemptions apply.

Use tax is paid at a Department of Revenue office. Once paid, the Department will issue a Declaration of Use Tax. This Declaration is required to complete the state registration.

## FEDERAL REGISTRATION

Every pilot operating an aircraft in Washington must have the appropriate certificate, permit, license, or rating issued by the Federal Aviation Administration (FAA). In addition, all aircraft must have the appropriate certificate, permit, or license and a current registration certificate issued by the FAA in order to be operated in this state.





## STATE REGISTRATION

The Aviation Division of the Department of Transportation (DOT) administers the state aircraft registration program, as well as the aircraft excise tax.

Every aircraft must be registered with DOT unless the aircraft meets one of the exceptions listed. The aircraft excise tax is due every year during the month of January.

If you are new to Washington, you have 90 days after becoming a resident to register your aircraft.

Upon purchasing an aircraft, Washington residents have 30 days to register their aircraft.

New registrants and new Washington residents must first pay any sales/use taxes due on the aircraft to the Washington State Department of Revenue. They will issue you a Declaration of Use Tax when your tax obligation has been satisfied.

## REGISTRATION EXCEPTIONS

Registration is not required for an aircraft that is:

- Owned by and used exclusively in the service of the state or federal government.
- Registered under the laws of a foreign country.
- Owned by a nonresident and registered in another state; provided the aircraft remains in the state no more than 90 days in any continuous 12 month period.
- Engaged principally in commercial flying constituting interstate or foreign commerce.
- Owned by a commercial manufacturer and operated for test or crews training purposes.
- Held for sale, exchange, delivery, test, or demonstration purposes solely as stock in trade of an aircraft dealer.

## AIRCRAFT EXCISE TAX

Aircraft not required to be registered with DOT are exempt from the aircraft excise tax. All other aircraft are subject to the tax. The amount of tax applicable to the various types of aircraft are as follows:

Single engine fixed wing .....	\$ 65
Small multi-engine fixed wing.....	\$ 80
Large multi-engine fixed wing.....	\$ 95
Turboprop multi-engine fixed wing.....	\$115
Turbojet multi-engine fixed wing.....	\$140
Helicopter .....	\$ 90
Sailplane .....	\$ 35
Lighter than air .....	\$ 35
Home-built .....	\$ 35

*Application for aircraft registration, and payment of the aircraft excise tax are made directly to the Aviation Division of the DOT.*

## PERSONAL PROPERTY TAX

Aircraft that are exempt from the aircraft excise tax and operate in an "airplane company" are subject to personal property tax. An "airplane company" uses aircrafts to transport people or property for compensation. Airplane companies are assessed by the Department of Revenue and the tax is collected by county treasurers.

For more information about:

### Personal Property Tax

Jessica Griffith

### Air Transport Appraiser

(360) 570-5898

FAX (360) 586-7602

[jessicag@dor.wa.gov](mailto:jessicag@dor.wa.gov)

## FOR MORE INFORMATION

### Sales or use taxes

Contact your local Department of Revenue office or the Telephone Information Center at 1-800-647-7706.

Or write to:

### Taxpayer Information

### and Education

### Washington State

### Department of Revenue

Post Office Box 47478

Olympia, Washington 98504-7478

FAX (360) 705-6655

<http://dor.wa.gov>

### Registration or aircraft excise tax:

Contact the Aviation Division of the Department of Transportation at (360) 651-6300 or 1-800-552-0666.

Or write to:

### WSDOT Aviation Division

3704 172nd Street NE, Suite K2

Post Office Box 3367

Arlington, Washington 98223-6336

<http://wsdot.wa.gov/Aviation/>

For FAA registration, call (425) 227-2813 or 1-800-354-1940, or write to:

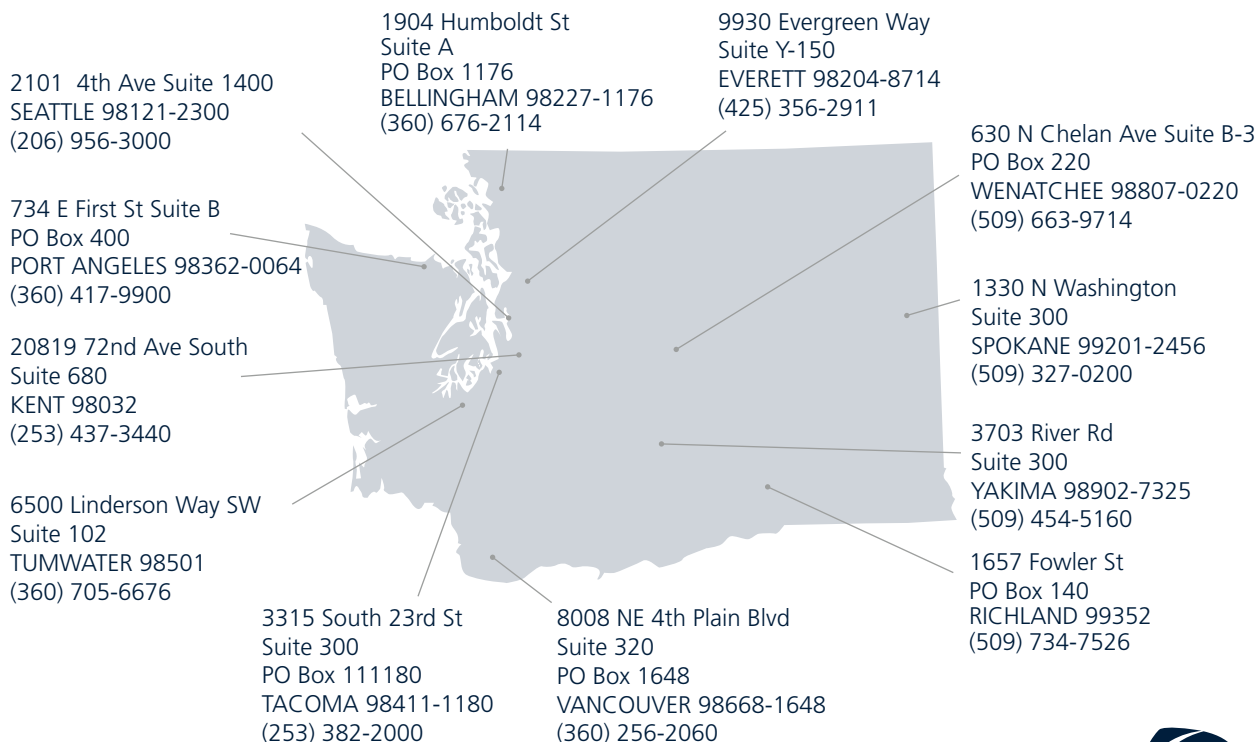
### Federal Aviation Administration

### Flight Standards District Office

1601 Lind Avenue SW, Suite 260

Renton, Washington 98055-4056

## LOCAL OFFICE LOCATIONS



To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users please call 1-800-451-7985.



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