

IC 6-1.1-12.3

Chapter 12.3. Intrastate Aircraft Deduction

IC 6-1.1-12.3-1

Application

Sec. 1. This chapter applies only to the following:

- (1) Aircraft that:
 - (A) have a seating capacity of not less than nine (9) passengers;
 - (B) are used in the air transportation of passengers or passengers and property; and
 - (C) are owned or operated by a person that is:
 - (i) an air carrier certified under Federal Aviation Regulation Part 121; or
 - (ii) a scheduled air taxi operator certified under Federal Aviation Regulation Part 135.
- (2) Aircraft that:
 - (A) are used to transport only property, regardless of whether the aircraft is operated as a common carrier for compensation; and
 - (B) are owned or operated by a person that is:
 - (i) an air carrier certified under Federal Aviation Regulation Part 121; or
 - (ii) a scheduled air taxi operator certified under Federal Aviation Regulation Part 135.

As added by P.L.224-2003, SEC.279.

IC 6-1.1-12.3-2

"Abatement property"

Sec. 2. As used in this chapter "abatement property" refers to aircraft described in section 1 of this chapter.

As added by P.L.224-2003, SEC.279.

IC 6-1.1-12.3-3

"Aircraft"

Sec. 3. As used in this chapter, "aircraft" has the meaning set forth in 49 U.S.C. 40102.

As added by P.L.224-2003, SEC.279.

IC 6-1.1-12.3-4

"Air transportation"

Sec. 4. As used in this chapter, "air transportation" means transportation of passengers or property by aircraft as a common carrier for compensation.

As added by P.L.224-2003, SEC.279.

IC 6-1.1-12.3-5

"Business entity"

Sec. 5. As used in this chapter, "business entity" refers to a corporation (as defined in IC 6-3-1-10) or partnership (as defined in

IC 6-3-1-19).
As added by P.L.224-2003, SEC.279.

IC 6-1.1-12.3-6

"Intrastate airline service"

Sec. 6. As used in this chapter, "intrastate airline service" means service provided in Indiana by an aircraft that is used during a service period in which ground time is determined for purposes of calculating ad valorem property taxes to fly:

- (1) either directly:
 - (A) between:
 - (i) a qualifying medium hub airport; and
 - (ii) at least two (2) qualifying underserved airports; or
 - (B) between:
 - (i) two (2) qualifying commercial service airports, one (1) of which is not a qualifying underserved airport; or
 - (ii) a qualifying medium hub airport and a qualifying commercial service airport other than a qualifying underserved airport; and
- (2) a route described in subdivision (1)(A) or (1)(B) at least five (5) times per week in each week during the service period immediately preceding an assessment date.

As added by P.L.224-2003, SEC.279.

IC 6-1.1-12.3-7

"Qualifying commercial service airport"

Sec. 7. As used in this chapter, "qualifying commercial service airport" means a commercial service airport (as defined in 14 CFR 158.3, as effective January 1, 2003) that is located in Indiana.

As added by P.L.224-2003, SEC.279.

IC 6-1.1-12.3-8

"Qualifying medium hub airport"

Sec. 8. As used in this chapter, "qualifying medium hub airport" means a medium hub airport (as defined in 14 CFR 398.2, as effective January 1, 2003) that is located in Indiana.

As added by P.L.224-2003, SEC.279.

IC 6-1.1-12.3-9

"Qualifying underserved airport"

Sec. 9. As used in this chapter, "qualifying underserved airport" means a qualifying commercial service airport that serves a municipality that is not directly connected by an interstate highway with a municipality served by a qualifying medium hub airport.

As added by P.L.224-2003, SEC.279.

IC 6-1.1-12.3-10

"Service period"

Sec. 10. As used in this chapter, "service period" means a period beginning March 1 in a year immediately preceding an assessment

date and ending on February 28 in the year containing an assessment date.

As added by P.L.224-2003, SEC.279.

IC 6-1.1-12.3-11

"Taxpayer"

Sec. 11. As used in this chapter, "taxpayer" means a business entity that is liable under IC 6-1.1-2-4, as applied under IC 6-1.1-3 or IC 6-1.1-8, for ad valorem property taxes on abatement property.

As added by P.L.224-2003, SEC.279.

IC 6-1.1-12.3-12

Deduction; service to underserved airports

Sec. 12. A taxpayer is entitled to a deduction from the assessed value of abatement property that is used to provide intrastate airline service between locations described in section 6(1)(A) of this chapter.

As added by P.L.224-2003, SEC.279.

IC 6-1.1-12.3-13

Deduction; service not involving underserved airports; limitations

Sec. 13. A taxpayer is entitled to a deduction from the assessed value of abatement property used to provide intrastate airline service between at least two (2) locations described in section 6(1)(B) of this chapter only if the same or another taxpayer provides intrastate airline service between locations described in section 6(1)(A) of this chapter during the same service period.

As added by P.L.224-2003, SEC.279.

IC 6-1.1-12.3-14

Amount of deduction; ground time

Sec. 14. The deduction applies to ad valorem property taxes calculated using aircraft ground times. The amount of a deduction available under section 12 or 13 of this chapter is equal to the product of:

(1) one hundred percent (100%) of the assessed value of the abatement property; multiplied by

(2) with respect to the ground time determined for purposes of calculating ad valorem property taxes for the aircraft, the quotient of:

(A) the ground time that immediately precedes a flight to an Indiana destination; divided by

(B) the total ground time.

As added by P.L.224-2003, SEC.279.

IC 6-1.1-12.3-15

Limitations; weekly service requirements; service to underserved airports

Sec. 15. (a) Any part of an ad valorem property tax assessment attributable to ground times during a week:

- (1) in which the requirements of section 6(2) of this chapter are not met; and
- (2) for which noncompliance is not waived under section 16 of this chapter;

may not be deducted under section 12 or 13 of this chapter.

(b) Any part of an ad valorem property tax assessment attributable to ground times during a week in which intrastate air service described in section 6(1)(A) of this chapter is not also available may not be deducted under section 13 of this chapter.

As added by P.L.224-2003, SEC.279.

IC 6-1.1-12.3-16

Weekly service requirements; waiver

Sec. 16. Based on:

- (1) extraordinary circumstances that prevent a taxpayer from using abatement property to meet the requirements under section 6(2) of this chapter; or
- (2) the start-up of service after the beginning of a service period;

the airport operator of the airports (other than a qualifying medium hub airport) that were directly affected by reduced service may waive compliance with section 6(2) of this chapter during all or part of the period in which the circumstances preventing regular service occurred. A taxpayer shall be treated as in compliance with section 6(2) of this chapter to the extent that compliance with the provision is waived under this section.

As added by P.L.224-2003, SEC.279.

IC 6-1.1-12.3-17

Claiming deduction

Sec. 17. To qualify for the deduction, the taxpayer must claim the deduction, in the manner prescribed by the department of local government finance, on the taxpayer's personal property tax return filed under IC 6-1.1-3 or IC 6-1.1-8 (or an amended return filed within the time allowed under this article) for the abatement property to which the deduction applies.

As added by P.L.224-2003, SEC.279.