

City and County of Denver, Colorado

TAX GUIDE

Topic No. 3

AIRCRAFT

The sale and purchase of aircraft are subject to sales and use tax unless exempt.

The Denver Revised Municipal Code (DRMC) defines “Aircraft” as means a device that is used or intended to be used for flight in the air and designed to carry at least one person.

Exempt aircraft include:

- A. Aircraft engaged in interstate commerce, owned or used by airline companies using certain aircraft for specified interstate operations.
- B. Aircraft owned or leased by any department of the federal or state government.
- C. Aircraft held for resale constituting stock in trade of a manufacturer, dealer, distributor, or retailer of aircraft, if such aircraft is not used for commercial purposes.
- D. Aircraft operated from a fixed base outside of Denver.

Aircraft are required to be registered with the Federal Aviation Administration (FAA). They are not required to be registered by the City and County of Denver.

Exemption on Aircraft Parts, Aircraft Simulator Parts, and Rail Carrier Parts

The DRMC exempts the sales of aircraft parts, aircraft simulator parts, and rail carrier parts that occur on or after January 1, 2015.

EXAMPLE

A Denver fixed base operator repairs and replaces technical instruments used on aircraft. The instruments delivered and installed in Denver at retail would not be subject to sales/use tax. Instruments delivered and installed outside of the City would not be subject to sales/use tax.

RELATED TAX GUIDE TOPIC

Common Carriers

- * DRMC Section 53-24(1, 2, 3, 4, 5). Definitions.
- * DRMC Section 53-26(11, 19). Exemptions.
- * DRMC Section 53-26.2 Exemption for Aircraft Parts, Aircraft Simulator Parts, and Rail Carrier Parts
- * DRMC Section 53-95(1, 2, 3, 4, 5). Definitions.
- * DRMC Section 53-97(12, 21). Exemptions.
- * DRMC Section 53-97.2 Exemption for Aircraft Parts, Aircraft Simulator Parts, and Rail Carrier Parts
- * Civil Aeronautics Act of 1938.

THE ABOVE INFORMATION IS A SUMMARY IN LAYMAN'S TERMS OF THE RELEVANT DENVER TAX LAW FOR THIS INDUSTRY OR BUSINESS SEGMENT. IT IS NOT INTENDED FOR LEGAL PURPOSES TO BE SUBSTITUTED FOR THE FULL TEXT OF THE DRMC AND APPLICABLE RULES AND REGULATIONS.