

ARIZONA DEPARTMENT OF REVENUE

Local Jurisdictions – Centrally Valued Property Unit

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TAX YEAR 2025

AIRLINE COMPANIES

ARIZONA PROPERTY TAX FORM FILING INSTRUCTIONS

FILING DUE DATE: APRIL 1, 2024

Reporting Year End December 31, 2023

FILING INFORMATION

Arizona Property Tax Form 82058 provides information necessary for determining the full cash value of your flight property in Arizona for property tax purposes. (A.R.S. §§ 42-11051 through 42-11053, 42-16206, and 42-14251 through 42-14257). Additional information on the referenced statutes can be obtained at <http://www.azleg.state.az.us/arizonarevisedstatutes.asp>.

Taxpayer may elect to provide the required information in paper or Excel format. To obtain the Excel version, email your request to Hugh Woodard at Hwoodard@azdor.gov. If the Excel format is selected, a paper copy of all pages of the completed Property Tax Form must still be printed, signed, notarized and returned to the Department.

This report and supporting schedules must be filed by April 1, 2024, or the extended due date if an extension is granted. Extension requests must be in writing and will be granted only for good cause. The deadline for extension requests is March 20, 2024.

Refusal or failure to file a completed report on or before April 1, or the extended due date if an extension is granted, will result in a valuation of one hundred five percent of the prior year's full cash value or a value based upon other information available to the Department. In addition, a penalty will be assessed in the amount of the lesser of one-half of one percent of the value estimated by the Department or one hundred dollars per day for each day the company fails to file the report calculated from the original due date, April 1, 2024. (A.R.S. § 42-14253)(C)(2)

If a completed report is not filed by May 20, 2024 the company forfeits its right to appeal the valuation and classification of the property pursuant to A.R.S. § 42-14253 (D).

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In accordance with ARS § 42-14253, every airline company operating in air commerce in the State of Arizona must file a Property Tax Form 82058 with the Department on or before April 1, 2024. **You are highly encouraged to use the Excel version of this form. The following instructions assume the use of Excel.** Requested information must be reported for all aircraft, whether owned or leased.

PROPRIETARY INFORMATION

Report proprietary information and CVP Tax ID number as outlined on the form. Much of this data will be prefilled. Please check the information and correct as needed.

AIRCRAFT INVENTORY DETAIL LISTING

The inventory of aircraft in service as of January 1st, 2023 has been pre-populated on the form. For aircraft that remained in service the entire year the only data to be reported is Capitalized Cost in column (L). Report the total accumulated capitalized cost for each aircraft.

If an aircraft has been **removed** from service during calendar year 2023:

1. Delete the “1” in column (G) as this aircraft is no longer counted in inventory.
2. Delete the Original Cost in column (K).
3. Add an “R” in column (H) to indicate the aircraft has been removed from service.
4. Add the date removed in column (I).

If an aircraft has been **added** to the inventory and placed in service during calendar year 2023 scroll to the bottom of the pre-populated inventory and add all newly acquired aircraft including:

1. Aircraft Type/Model in column (A).
2. Tail Number in column (B).
3. Year of Manufacture in column (C).
4. Indicate whether owned or leased in column (E).
5. Add a “1” in column (G).
6. Add an “N” in column (H).
7. Add the date the aircraft was placed in service in column (I).
8. Add the Original Cost in column (K) (**NOTE: by statute, the Original Cost is the original cost to the original purchaser from the manufacturer. If this data is unavailable Original Cost is the manufacturer’s list price for the year and model.**).
9. Add any Capitalized Cost incurred after the aircraft was placed in service in column (L).

AIRCRAFT PERMANENTLY REMOVED FROM OPERATION

Report all aircraft permanently removed from operation during calendar year 2023. The schedule must list aircraft by fleet type, tail number of each aircraft, the date the aircraft was permanently removed from operation and the number of days in operations during calendar 2023. Refer to the Airline Valuation Calendar to look up the date the aircraft was removed from service in the column headed PR for the number of days in service.

ALLOCATION SCHEDULE

A. Fleet aircraft time (hours): To compute the fleet aircraft hours, multiply the number of aircraft reported in each fleet by 365 (days) (exclude aircraft acquired during calendar year 2023 and aircraft permanently removed from operation in calendar year 2023). To that sum of days, add the number of days in service for each aircraft acquired in 2023, and the number of days in service for each aircraft permanently removed from operation in calendar year 2023. Refer to the Airline Valuation Calendar to find the number of days in service of flight property acquired and permanently retired during calendar year 2023. Multiply the fleet's total days in service by 24 to convert fleet aircraft days to fleet aircraft hours. Note: Do not adjust for the days an aircraft is temporarily removed from service due to routine maintenance, etc. Fleet aircraft hours, line A, of your annual report, must agree with the Department of Transportation (RSPA Form 41) report. If discrepancies exist, you must reconcile the hours and provide an explanation.

B. Fleet airborne time (hours): Report fleet airborne time (hours) completed during calendar year 2022.

C. Fleet ground time (A minus B): This field will be calculated in Excel.

D. Arizona airport departures: Report the total number of departures from Arizona airports by fleet type. Actual departures and arrivals must support Arizona fleet flight miles reported on (line H).

E. Arizona ground time (D x 45/60): By statute, Arizona ground time is considered to be 45 minutes per departure. This field will be calculated in Excel.

F. One half of Arizona ground time (E x .5): This field is calculated in Excel.

G. Fleet flight miles: Report by aircraft model total fleet mileage flown within and outside Arizona during the preceding calendar year.

H. Arizona flight miles: Report by aircraft model total fleet mileage flown only within Arizona during the preceding calendar year.

I. One half of Arizona flight miles (H x .5): This field is calculated in Excel.

J. F divided by C: This field is calculated in Excel and represents the allocation attributable to Arizona ground time.

K. I divided by G: This field is calculated in Excel and represents the allocation attributable to Arizona flight miles.

L. Arizona allocation factor (J + K): This field is calculated in Excel.

CURRENT / OUT OF PRODUCTION SCHEDULES

Either a current production or an out of production schedule must be completed for each fleet type. Data must agree with the statistics reported on the inventory detail schedule. By statute, a different depreciation schedule is applied depending on whether the fleet model is still in production or not.

VERIFICATION

A paper copy of all pages must be printed. The VERIFICATION page must be returned signed, dated, and notarized for the report to be accepted by the Department.

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DEFINITIONS

1. ACQUISITION DATE means the date the aircraft is placed in service by the current owner.
2. AIR COMMERCE means the scheduled transportation by aircraft of persons or property for hire in interstate, intrastate, or international transportation.
3. AIRCRAFT means any device used or designed for navigation or flight through the air.
4. AIRCRAFT TIME means the number of minutes in the preceding calendar year in which flight property was in the possession of an airline company.
5. AIRLINE COMPANY means any person who directly or indirectly undertakes to engage in the business of scheduled air commerce.
6. ARIZONA MILEAGE means that portion of system mileage, which was flown within Arizona.
7. CURRENT PRODUCTION AIRCRAFT means aircraft that were being manufactured as of January 1 of the current year.
8. FLEET TYPE means aircraft type and model.
9. FLIGHT PROPERTY means all airline company aircraft, whether owned or leased, of the types used in this state excluding aircraft permanently removed from operations.
10. OPERATING, OPERATIONS, or OPERATED means regularly scheduled aircraft landings or takeoffs.
11. **ORIGINAL COST means the capitalized acquisition cost to the original purchaser from the manufacturer of airframes and engines plus substantial modifications. If the acquisition cost cannot be determined, original cost means the manufacture's original list price for the model, type and year plus substantial modifications.**
12. OUT-OF-PRODUCTION AIRCRAFT means aircraft that were not being manufactured as of January 1 of the current year.
13. PERSON means any individual, corporation, firm, partnership, company or association, and includes a guardian, trustee, executor, administrator, receiver or conservator or any person who acts in a fiduciary capacity.

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Definitions – Continued

14. REGULARLY SCHEDULED means the operation of aircraft, according to a plan of dates or times for landings and takeoffs, whether published or not, which meets the following criteria: completion of at least one hundred and twenty landings or departures within Arizona during the preceding calendar year.
15. SMALL FLIGHT PROPERTY means all airline company aircraft operating in this state with a maximum passenger capacity of less than fifty-six seats and a maximum payload capacity of less than eighteen thousand pounds.
16. STATE (ARIZONA) GROUND TIME means the number of minutes operating flight property is considered to be on the ground in this state during the preceding calendar year and is computed by multiplying the number of departures of flight property in this state during the preceding calendar year by 45.
17. SUBSTANTIAL MODIFICATION COST means any and all capitalized aircraft cost, excluding the original cost of aircraft and engine, less 10% of the original aircraft and engine cost. If 10% of the original aircraft and engine cost is greater than any and all capitalized aircraft cost, then the substantial modification cost for the aircraft is zero.
18. SYSTEM GROUND TIME means the number of minutes operating flight property is on the ground systemwide during the preceding calendar year and is computed by subtracting the number of revenue and non-revenue airborne minutes of all flight property during the preceding calendar year from total aircraft time.
19. SYSTEM MILEAGE means the total statute mileage flown within and outside Arizona during the preceding calendar year. It is the sum of airport-to-airport distances of all flights scheduled, including those flights operated as extra sections to accommodate traffic overflow.