

**DISCUSSION DRAFT**

**California Code of Regulations, Title 18, Section 25101.3**

**ALTERNATIVE A**

**Discussion Draft Requiring grouping of aircraft by model:**

Section 25101.3 is adopted to read:

§ 25101.3. Property Factor for Allocation and Apportionment of Income as it Relates to Aircraft.

(a) The calculation of the "time" and "arrivals and departures" elements of the property factor formula for aircraft owned by members of a unitary group that are engaged in a unitary business of providing air transportation is made by model of aircraft, as defined in subsection (c) of this regulation. A separate allocation ratio is computed for each aircraft model that established a taxable situs within the state during the income year while excluding aircraft models that have not established a taxable situs within the state. Each allocation ratio is then applied to the total value of the carrier's aircraft of each model to which the allocation ratio applies, excluding those models that have not established a tax situs within the state.

(b) The allocation ratio is the amount computed pursuant to subdivisions (a), (b), (c), and (d) of Revenue and Taxation Code section 25101.3.

(c) (1) Aircraft are grouped by model of aircraft to calculate the "time" and "arrivals and departures" elements of the property factor. The make is the name of the manufacturer. The model is the manufacturer designated model number.

(2) (A) Aircraft that are in a series of an aircraft model are grouped with aircraft of the same model.

(B) The following are examples of aircraft model groupings:

1. Boeing 737 model grouping includes, for example, series 737-300, 737-500 and 737-700.
2. Boeing 767 model grouping includes, for example, series 767-300 and 767-300ER.
3. Airbus A300 model includes, for example, series A300-600 and A300F4-600R.
4. Cessna 208 model grouping includes, for example, series Cessna 208A and Cessna 208B.

Note: Authority cited: Section 19503, Revenue and Taxation Code.

Reference: Sections 25101.3 and 25137, Revenue and Taxation Code.

**ALTERNATIVE B**

**Discussion Draft requiring grouping of aircraft by type:**

Section 25101.3 is adopted to read:

§ 25101.3. Allocation and Apportionment of Property Factor as it Relates to Aircraft.

(a) The calculation of the "time" and "arrivals and departures" elements of the property factor formula for aircraft owned by members of a unitary group that are engaged in a unitary business of providing air transportation is made by type of aircraft, as defined in subsection (c) of this regulation. A separate allocation ratio is computed for each aircraft type that established a taxable situs within the state during the income year while excluding aircraft types that have not established a taxable situs within the state. Each allocation ratio is then applied to the total value of the carrier's aircraft of each type to which the allocation ratio applies, excluding those types that have not established a tax situs within the state.

(b) The allocation ratio is the amount computed pursuant to subdivisions (a), (b), (c), and (d) of Revenue and Taxation Code section 25101.3.

(c) Aircraft types:

- (1) Piston-powered
- (2) Turboprop-powered
- (3) Helicopter
- (4) Turbojet and turbofan-powered
  - (A) One engine
  - (B) Two engine
  - (C) Three engine
  - (D) Four engine

Note: Authority cited: Section 19503, Revenue and Taxation Code.

Reference: Sections 25101.3 and 25137, Revenue and Taxation Code.

**DISCUSSION DRAFT**

**ALTERNATIVE A**

**Amendments to Existing California Code of Regulations, Title 18, section 25137-7, utilizing groupings by model of aircraft:**

Section 25137-7 is amended to read:

§ 25137-7. Air Transportation Companies—Allocation and Apportionment of Income.

(a) Definitions.

- (1) The unitary business of air transportation includes the operations of scheduled airlines, supplemental airlines and air taxis. All members of a unitary group that are engaged in a unitary business of providing air transportation must apportion business income from air transportation as provided in this regulation.
- (2) As used in this regulation, “certificated aircraft” means aircraft operated by an air carrier or foreign air carrier engaged in air transportation, as defined in subsections (3), (5), (10), (11), (14), (15), (22), (23), (24), (25) and (26) of 49 USC 1301, while there is in force a certificate or permit issued by the Civil Aeronautics Board of the United States, the Department of Transportation or its successor, or a certificate or permit issued by the California Public Utilities Commission, or its successor, authorizing such air carrier to engage in such transportation.
- (3) As used in this regulation, “air taxis” means aircraft used by an air carrier which does not utilize aircraft whose maximum certificated takeoff weight, as determined by the Federal Aviation Administration, is greater than 12,500 pounds in air transportation and which does not hold a certificate of public convenience and necessity or other economic authority issued by the Civil Aeronautics Board of the United States, the Department of Transportation, or its successor, or by the California Public Utilities Commission, or its successor.
- (4) “The time in state” is the proportionate amount of time, both in the air and on the ground, that certificated aircraft have spent within the state during a representative period as compared to the total time in the representative period.
- (5) “Arrivals and departures” is the number of arrivals in and departures from airports within the state of certificated aircraft during a representative period as compared to the total number of arrivals in and departures from airports both within this state and elsewhere in the representative period.
- (6) “Ton-miles” means the product of a plane's tonnage and the miles traveled.
- (7) “Flight personnel” means the air crew aboard an aircraft assisting in the operation of the aircraft or the welfare of passengers while in the air.
- (8) “Rotables” means components or parts which are rotated between storage and operational use on aircraft.

(b) Apportionment of Business Income. The property, payroll and sales factors of the apportionment formula for air transportation companies shall be computed pursuant to Sections 25128 through 25137 of the Revenue and Taxation Code and the regulations adopted pursuant thereto except as provided in this regulation.

(1) Property Factor.

(A) In General.

(i)1. The use of the taxpayer's owned or rented aircraft in an exchange program with another air carrier shall not constitute a rental or subrental, whichever the case may be, of such aircraft by the airline to the other participating airline. Such aircraft shall be accounted for in the property factor of the taxpayer.

(ii)2. Rotables, parts, and other expendables, including parts for use in contract overhaul work, shall be valued at cost.

(B) Numerator. The value of aircraft assigned to this state shall be determined pursuant to Section 25101.3, Revenue and Taxation Code.

(2) Payroll Factor—Numerator. In determining the numerator of the payroll factor, compensation paid to flight personnel shall be attributed to this state based upon the ratio that air and ground time spent in performing services in this state bears to the total air and ground time spent in performing services everywhere by ~~type~~ model of aircraft. Air time (block to block) by ~~type~~ model of aircraft determined for the income year shall be used in computing flight personnel compensation attributable to this state. Ground time of flight personnel shall include the time required by such personnel to perform preflight and postflight activities pursuant to current employer-employee union contracts and includes time on the ground at intermediate stops on scheduled and nonscheduled flights for loading or unloading of passengers, freight, mail or other nonemergency purposes. Air and ground time of flight personnel utilized for training purposes to maintain proficiency shall also be included for purposes of the payroll factor.

(3) Sales Factor-Numerator.

(A) In determining the numerator of the revenue factor, revenue from hauling passengers, freight, mail and excess baggage shall be attributed to this state based upon:

(i)1. the ratio which the air time of the taxpayer's aircraft spent in this state bears to the total air time (block to block) of such aircraft everywhere, by ~~type~~ model of aircraft as defined in subsection (e), weighted at 80 percent; and

(ii)2. the ratio of arrivals and departures in this state to total arrivals and departures everywhere by ~~type~~ model of aircraft weighted at 20 percent. Air time and arrivals and departures (excluding time and arrivals and departures for flight training purposes) by ~~type~~ model of aircraft as defined in subsection (e), shall be used in computing revenue attributable to this state derived from hauling passengers, freight, mail, and excess baggage.

(B) If records of actual revenue by ~~type~~ model of aircraft are not maintained, the total revenue shall be divided into passenger and freight (which shall include express, excess baggage and mail) revenue and allocated to aircraft ~~type~~ model on the ratio of the revenue passenger ton-miles and revenue freight (which shall include express, excess baggage and mail) ton-miles of such ~~type~~ model, respectively. Expressed as a formula the computation for each ~~type~~ model of aircraft would be:

$$\frac{\text{Revenue Passenger Ton Miles by Type Model}}{\text{Total Revenue Passenger Ton-Miles All Types-Models}} \times \text{Total Passenger Revenue} = \text{Passenger Revenue}$$

$$\frac{\text{Revenue Freight Ton Miles by Type Model}}{\text{Total Revenue Ton-Miles All Types-Models}} \times \text{Total Freight Revenue} = \text{Freight Revenue by Type Model}$$

(C) The numerator of the sales factor of air freight companies that use a combination of air and ground transportation to perform the shipment of an item of freight is calculated pursuant to this regulation only to the extent that the revenue is derived from the air transportation portion of the service to the customer. The air transportation portion of the revenue is the amount of revenue that was subject to federal excise tax under Internal Revenue Code section 4271. The remainder of the revenue is ground transportation revenue that is assignable to this state under the provisions of Regulation section 25137-11.

**Example:** Company A, an air express company, uses aircraft to transport packages between airports. The air express company uses ground transportation to bring packages to airports and to deliver packages from airports to recipients. The company also uses ground transportation to move packages between the company's facilities.

Company A has total receipts for services of \$1,000,000. Of this total, Company A collected and remitted federal excise tax on \$700,000 worth of services. Because this \$700,000 of receipts is related to air transportation, the \$700,000 will be assigned for sales factor purposes under this regulation. The remaining \$300,000 in receipts was not subject to the federal excise tax and is therefore not related to air transportation. Company A will assign those receipts utilizing the sales factor provisions of Regulation section 25137-11, subsection (c)(4), relating to trucking activities.

1. Members of the unitary group that includes air freight companies, whose operations are not related to the air freight operations but derive their income from delivering freight solely through the use of a trucking company, shall apportion their income utilizing the rules of Regulation section 25137-11 exclusively.

(c) Computation of Time Factor and Arrivals and Departures Factor.

(1) The property and revenue factors of the apportionment formula are based upon a time factor and an arrivals and departures factor. The payroll factor for flight personnel is based solely upon time. The statistics to be used in computing the time and arrivals and departures factors shall be the annual statistics of the taxpayer or statistics for representative periods.

(2) Annual statistics for the taxpayer's income year, if available, shall be used in determining the property, payroll and revenue factors of the apportionment formula. All other rules prescribed for property tax purposes for determining air and ground time and arrivals and departures shall be applicable except as otherwise provided.

(3) If annual statistics are not available, statistics for representative periods shall be used provided that permission to do so has been granted to the taxpayer by the Franchise Tax Board. In the event annual statistics are subsequently maintained on a regular basis, the taxpayer shall use such annual statistics in lieu of statistics from representative periods.

(d) Representative Period.

(1) In General.

(A) The representative periods to be used in computing the property, payroll and revenue factors shall consist of the representative periods designated by the State Board of Equalization for the current property tax assessment year and the immediately preceding or succeeding property tax assessment year, as provided for herein, unless the Franchise Tax Board determines that alternative periods should be designated as representative periods in order to fairly reflect the taxpayer's activities within California.

(B) The statistical data developed for representative periods designated by the State Board of Equalization for property tax purposes shall be used in computing the percentage of the time factor and the arrivals and departures factor. The time factor and arrivals and departures factor shall be computed separately for each ~~type~~ model of aircraft enumerated in subsection (b).

(C) The term "current property tax assessment year" shall be the property tax assessment year for which the State Board of Equalization designates the representative period which falls within the taxpayer's current income year for California franchise tax purposes. In the case of an income year ending on February 28, it shall be the property tax assessment year for which the State Board of Equalization designates the representative period, the major part of which falls within the taxpayer's current income year for California franchise tax purposes. For example, if the State Board of Equalization designates February 23 through March 1 of the current calendar year as the representative period for the next property tax assessment year (beginning July 1, next), the "current property tax assessment year" shall be the property tax assessment year beginning July 1, next with respect to the income year ended February 28 of the current calendar year.

(2) Time Factor.

(A) Scheduled carriers, scheduled and nonscheduled air taxis.

~~(1)~~1. Scheduled operations, scheduled carriers, scheduled and nonscheduled air taxis.

~~(1)~~a. The representative period Carriers consist of the representative periods designated by the State Board of Equalization for (1) the current property tax assessment year and (2) the succeeding property tax assessment year unless the taxpayer's income year for California franchise tax purposes ends on or after February 28.

~~(H)~~b. If the taxpayer's fiscal year for California franchise tax purposes ends on or after February 28, the representative period shall consist of the representative periods designated by the State Board of Equalization for (1) the current property tax assessment year and (2) the preceding property tax assessment year.

~~(ii)~~2. Nonscheduled operations, scheduled carriers and scheduled air taxis.

~~(I)~~a. The representative period shall consist of the representative periods designated by the State Board of Equalization for (1) the current property tax assessment year and (2) the preceding property tax assessment year unless the taxpayer's income year for California franchise tax purposes ends on or after July 31.

~~(H)~~b. Taxpayers whose income year ends on or after July 31 should contact the Franchise Tax Board for instructions as to the representative period to be used.

(B) Supplemental Carriers. The representative period shall be the same as stated in subsection (d)(2)(A)~~(ii)~~2.

(3) Arrivals and Departures Factor.

(A) Scheduled Carriers, Scheduled and Nonscheduled Air Taxis.

~~(i)~~1. Carriers reporting departures to Civil Aeronautics Board or Department of Transportation.

~~(I)~~a. The representative period shall consist of the representative period designated by the State Board of Equalization for (1) the current property tax assessment year and (2) the succeeding property tax assessment year unless the taxpayer's current income year ends on or after February 28.

~~(H)~~b. In the case of taxpayers whose income year ends on or after February 28, the representative period shall consist of the representative period designated by the State Board of Equalization for (1) the current property tax assessment year, and (2) the preceding property tax assessment year.

~~(ii)~~2. Air taxis not reporting departures to Civil Aeronautics Board or Department of Transportation

~~(I)~~a. The representative period for scheduled operations of air taxis and operations of nonscheduled air taxis will be the same as stated in subsection (d)(2)(A)(i).

~~(H)~~b. The representative period for nonscheduled operations of scheduled air taxis will be the same as stated in subsection (d)(2)(A)(ii).

(B) Supplemental Carriers.

~~(i)~~1. Carriers reporting departures to Civil Aeronautics Board or Department of Transportation. The representative period shall be the same as stated in subsection (d)(3)(A)(i).

~~(ii)~~2. Carriers not reporting departures to Civil Aeronautics Board or Department of Transportation. The representative period shall be the same as stated in subsection (d)(2)(A)(ii).

(e) ~~Aircraft type.~~ Aircraft are grouped by make and model. The make is the name of the manufacturer. The model is the manufacturer designated model number.

(1) Aircraft that are in a series of an aircraft make and model are grouped with aircraft of the same make and model. More than one series of an aircraft model are grouped with the aircraft make and model.

Examples of Aircraft Model Groupings:

1. Boeing 737 model grouping includes, for example, series 737-300, 737-500 and 737-700. Boeing is the make.

2. Boeing 767 model grouping includes, for example, series 767-300 and 767-300ER. Boeing is the make.

3. Airbus A300 model includes, for example, series A300-600 and A300F4-600R. Airbus is the make.

4. Cessna 208 model grouping includes, for example, series Cessna 208A and Cessna 208B. Cessna is the make.

~~(1) Piston powered;~~

~~(2) Turboprop powered;~~

~~(3) Helicopter;~~

~~(4) Turbojet and turbofan powered;~~

~~(A) Two Engine (~~

~~(B) Three engine~~

~~(C) Four engine;~~

~~(D) DC-8—60 series;~~

~~(E) Boeing 747;~~

~~(F) DC-10 and L1011.~~

Note: Authority cited: Section ~~26422~~19503, Revenue and Taxation Code.

Reference: Sections 25101.3 and 25137, Revenue and Taxation Code.

## DISCUSSION DRAFT

### ALTERNATIVE B

Amendments to Existing California Code of Regulations, Title 18, section 25137-7, utilizing groupings by type of aircraft:

Section 25137-7 is amended to read:

§ 25137-7. Air Transportation Companies—Allocation and Apportionment of Income.

(a) Definitions.

- (1) The unitary business of air transportation includes the operations of scheduled airlines, supplemental airlines and air taxis. All members of a unitary group that are engaged in a unitary business of providing air transportation must apportion business income from air transportation as provided in this regulation.
- (2) As used in this regulation, “certificated aircraft” means aircraft operated by an air carrier or foreign air carrier engaged in air transportation, as defined in subsections (3), (5), (10), (11), (14), (15), (22), (23), (24), (25) and (26) of 49 USC 1301, while there is in force a certificate or permit issued by the Civil Aeronautics Board of the United States, the Department of Transportation or its successor, or a certificate or permit issued by the California Public Utilities Commission, or its successor, authorizing such air carrier to engage in such transportation.
- (3) As used in this regulation, “air taxis” means aircraft used by an air carrier which does not utilize aircraft whose maximum certificated takeoff weight, as determined by the Federal Aviation Administration, is greater than 12,500 pounds in air transportation and which does not hold a certificate of public convenience and necessity or other economic authority issued by the Civil Aeronautics Board of the United States, the Department of Transportation, or its successor, or by the California Public Utilities Commission, or its successor.
- (4) “The time in state” is the proportionate amount of time, both in the air and on the ground, that certificated aircraft have spent within the state during a representative period as compared to the total time in the representative period.
- (5) “Arrivals and departures” is the number of arrivals in and departures from airports within the state of certificated aircraft during a representative period as compared to the total number of arrivals in and departures from airports both within this state and elsewhere in the representative period.
- (6) “Ton-miles” means the product of a plane's tonnage and the miles traveled.
- (7) “Flight personnel” means the air crew aboard an aircraft assisting in the operation of the aircraft or the welfare of passengers while in the air.
- (8) “Rotables” means components or parts which are rotated between storage and operational use on aircraft.

(b) Apportionment of Business Income. The property, payroll and sales factors of the apportionment formula for air transportation companies shall be computed pursuant to Sections 25128 through 25137 of the Revenue and Taxation Code and the regulations adopted pursuant thereto except as provided in this regulation.

(1) Property factor.

(A) In General.

~~(i)~~1. The use of the taxpayer's owned or rented aircraft in an exchange program with another air carrier shall not constitute a rental or subrental, whichever the case may be, of such aircraft by the airline to the other participating airline. Such aircraft shall be accounted for in the property factor of the taxpayer.

~~(ii)~~2. Rotables, parts, and other expendables, including parts for use in contract overhaul work, shall be valued at cost.

(B) Numerator. The value of aircraft assigned to this state shall be determined pursuant to Section 25101.3, Revenue and Taxation Code.

(2) Payroll Factor—Numerator. In determining the numerator of the payroll factor, compensation paid to flight personnel shall be attributed to this state based upon the ratio that air and ground time spent in performing services in this state bears to the total air and ground time spent in performing services everywhere by type of aircraft. Air time (block to block) by type of aircraft determined for the income year shall be used in computing flight personnel compensation attributable to this state. Ground time of flight personnel shall include the time required by such personnel to perform preflight and postflight activities pursuant to current employer-employee union contracts and includes time on the ground at intermediate stops on scheduled and nonscheduled flights for loading or unloading of passengers, freight, mail or other nonemergency purposes. Air and ground time of flight personnel utilized for training purposes to maintain proficiency shall also be included for purposes of the payroll factor.

(3) Sales Factor-Numerator.

(A) In determining the numerator of the revenue factor, revenue from hauling passengers, freight, mail and excess baggage shall be attributed to this state based upon:

1. the ratio which the air time of the taxpayer's aircraft spent in this state bears to the total air time (block to block) of such aircraft everywhere, by type of aircraft as defined in subsection (e), weighted at 80 percent; and
2. the ratio of arrivals and departures in this state to total arrivals and departures everywhere by type of aircraft weighted at 20 percent. Air time and arrivals and departures (excluding time and arrivals and departures for flight training purposes) by type of aircraft as defined in subsection (e), shall be used in computing revenue attributable to this state derived from hauling passengers, freight, mail, and excess baggage.

(B) If records of actual revenue by type of aircraft are not maintained, the total revenue shall be divided into passenger and freight (which shall include express, excess baggage and mail) revenue and allocated to aircraft type on the ratio of the revenue passenger ton-miles and revenue freight (which shall include express, excess baggage and mail) ton-

miles of such type, respectively. Expressed as a formula the computation for each type of aircraft would be:

Revenue Passenger Ton Miles by Type					
Total Revenue Passenger Ton-Miles All Types	X		=		Passenger Revenue by Type
Revenue Freight Ton Miles by Type					
Total Revenue Ton-Miles All Types	X		=		Freight Revenue by Type

(C) The numerator of the sales factor of air freight companies that use a combination of air and ground transportation to perform the shipment of an item of freight is calculated pursuant to this regulation only to the extent that the revenue is derived from the air transportation portion of the service to the customer. The air transportation portion of the revenue is the amount of revenue that was subject to federal excise tax under Internal Revenue Code section 4271. The remainder of the revenue is ground transportation revenue that is assignable to this state under the provisions of Regulation section 25137-11.

**Example:** Company A, an air express company, uses aircraft to transport packages between airports. The air express company uses ground transportation to bring packages to airports and to deliver packages from airports to recipients. The company also uses ground transportation to move packages between the company's facilities.

Company A has total receipts for services of \$1,000,000. Of this total, Company A collected and remitted federal excise tax on \$700,000 worth of services. Because this \$700,000 of receipts is related to air transportation, the \$700,000 will be assigned for sales factor purposes under this regulation. The remaining \$300,000 in receipts was not subject to the federal excise tax and is therefore not related to air transportation. Company A will assign those receipts utilizing the sales factor provisions of Regulation section 25137-11, subsection (c)(4), relating to trucking activities.

1. Members of the unitary group that includes air freight companies, whose operations are not related to the air freight operations but derive their income from delivering freight solely through the use of a trucking company, shall apportion their income utilizing the rules of Regulation section 25137-11 exclusively.

(c) Computation of Time Factor and Arrivals and Departures Factor.

(1) The property and revenue factors of the apportionment formula are based upon a time factor and an arrivals and departures factor. The payroll factor for flight personnel is based solely upon time. The statistics to be used in computing the time and arrivals and departures factors shall be the annual statistics of the taxpayer or statistics for representative periods.

(2) Annual statistics for the taxpayer's income year, if available, shall be used in determining the property, payroll and revenue factors of the apportionment formula. All other rules

prescribed for property tax purposes for determining air and ground time and arrivals and departures shall be applicable except as otherwise provided.

(3) If annual statistics are not available, statistics for representative periods shall be used provided that permission to do so has been granted to the taxpayer by the Franchise Tax Board. In the event annual statistics are subsequently maintained on a regular basis, the taxpayer shall use such annual statistics in lieu of statistics from representative periods.

(d) Representative Period.

(1) In General.

(A) The representative periods to be used in computing the property, payroll and revenue factors shall consist of the representative periods designated by the State Board of Equalization for the current property tax assessment year and the immediately preceding or succeeding property tax assessment year, as provided for herein, unless the Franchise Tax Board determines that alternative periods should be designated as representative periods in order to fairly reflect the taxpayer's activities within California.

(B) The statistical data developed for representative periods designated by the State Board of Equalization for property tax purposes shall be used in computing the percentage of the time factor and the arrivals and departures factor. The time factor and arrivals and departures factor shall be computed separately for each type of aircraft enumerated in subsection (b).

(C) The term "current property tax assessment year" shall be the property tax assessment year for which the State Board of Equalization designates the representative period which falls within the taxpayer's current income year for California franchise tax purposes. In the case of an income year ending on February 28, it shall be the property tax assessment year for which the State Board of Equalization designates the representative period, the major part of which falls within the taxpayer's current income year for California franchise tax purposes. For example, if the State Board of Equalization designates February 23 through March 1 of the current calendar year as the representative period for the next property tax assessment year (beginning July 1, next), the "current property tax assessment year" shall be the property tax assessment year beginning July 1, next with respect to the income year ended February 28 of the current calendar year.

(2) Time Factor.

(A) Scheduled Carriers, Scheduled and Nonscheduled Air Taxis.

~~(1)~~1. Scheduled operations, scheduled carriers, scheduled and nonscheduled air taxis.

~~(1)~~a. The representative period Carriers consist of the representative periods designated by the State Board of Equalization for (1) the current property tax assessment year and (2) the succeeding property tax assessment year unless the

taxpayer's income year for California franchise tax purposes ends on or after February 28.

~~(H)~~b. If the taxpayer's fiscal year for California franchise tax purposes ends on or after February 28, the representative period shall consist of the representative periods designated by the State Board of Equalization for (1) the current property tax assessment year and (2) the preceding property tax assessment year.

~~(ii)~~2. Nonscheduled operations, scheduled carriers and scheduled air taxis.

~~(I)~~a. The representative period shall consist of the representative periods designated by the State Board of Equalization for (1) the current property tax assessment year and (2) the preceding property tax assessment year unless the taxpayer's income year for California franchise tax purposes ends on or after July 31.

~~(H)~~b. Taxpayers whose income year ends on or after July 31 should contact the Franchise Tax Board for instructions as to the representative period to be used.

(B) Supplemental Carriers. The representative period shall be the same as stated in subsection (d)(2)(A)~~(ii)~~2.

(3) Arrivals and Departures Factor.

(A) Scheduled Carriers, Scheduled and Nonscheduled Air Taxis.

~~(i)~~1. Carriers reporting departures to Civil Aeronautics Board or Department of Transportation.

~~(I)~~a. The representative period shall consist of the representative period designated by the State Board of Equalization for (1) the current property tax assessment year and (2) the succeeding property tax assessment year unless the taxpayer's current income year ends on or after February 28.

~~(H)~~b. In the case of taxpayers whose income year ends on or after February 28, the representative period shall consist of the representative period designated by the State Board of Equalization for (1) the current property tax assessment year, and (2) the preceding property tax assessment year.

~~(ii)~~2. Air taxis not reporting departures to Civil Aeronautics Board or Department of Transportation

~~(I)~~a. The representative period for scheduled operations of air taxis and operations of nonscheduled air taxis will be the same as stated in subsection (d)(2)(A)~~(i)~~1.

~~(H)~~b. The representative period for nonscheduled operations of scheduled air taxis will be the same as stated in subsection (d)(2)(A)~~(ii)~~2.-

(B) Supplemental Carriers.

~~(i)~~1. Carriers reporting departures to Civil Aeronautics Board or Department of Transportation. The representative period shall be the same as stated in subsection (d)(3)(A)~~(i)~~1.

~~(ii)~~2. Carriers not reporting departures to Civil Aeronautics Board or Department of Transportation. The representative period shall be the same as stated in subsection (d)(2)(A)~~(ii)~~2.

(e) Aircraft Type.

- (1) Piston-powered
- (2) Turboprop-powered
- (3) Helicopter
- (4) Turbojet and turbofan-powered
  - (A) One engine
  - (B) Two engine
  - (C) Three engine
  - (D) Four engine
  - ~~(A) Two Engine~~
  - ~~(B) Three engine~~
  - ~~(C) Four engine;~~
  - ~~(D) DC-8—60 series;~~
  - ~~(E) Boeing 747;~~
  - ~~(F) DC-10 and L1011.~~

Note: Authority cited: Section ~~26422~~19503, Revenue and Taxation Code.  
Reference: Sections 25101.3 and 25137, Revenue and Taxation Code.