April 29, 1994

Re:   --- Application
      of Tax To Purchase of Aircraft

Dear,

This is in response to your letter of April 6, 1994 in which you ask for further clarification of our March 31, 1994 letter. Our previous letter related to use tax liability arising from a purchase of an aircraft by ---. In that first letter, I had concluded that there would be no use tax liability if the aircraft, purchased in Oregon and brought into California within 90 days of purchase, were to be used solely in interstate commerce for the six-month period after it first entered California. Your follow-up letter relates to whether in-state pilot flight training disqualifies the aircraft from the interstate commerce exemption found in Regulation 1620 (b) (2) (B).

*Note: Note changes to Reg 1620 SPJ 3/5/01 & further 3/3/02 &9/29/03

We have previously concluded that training flights are incidental to interstate use provided the aircraft is otherwise used continuously in interstate commerce. Training flights qualifying as incidental are those that are for the purpose of training those personnel who will fly that particular aircraft (and not personnel that will fly that type of aircraft).

Thus, if the in-state flight training is used only to train personnel who will fly the aircraft purchased in Oregon (and the use of which otherwise qualifies for the interstate commerce exemption), that training will not affect the availability of the exemption.

If you have any further questions, please feel free to write again.

Sincerely,

Sukhwinder K. Dhanda
Staff Counsel

SKD:nlh

cc:   District Administrator