



**COLORADO**  
Department of Revenue

Taxation Division

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Denver, CO 80203

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P.O. Box 17087  
Denver, CO 80217-0087

GIL-18-005

February 12, 2018

XXXXXX

Attention: XXXXXX

XXXXXX

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Re: Tangible Personal Property Permanently Affixed to Aircraft

Dear XXXXXX,

You submitted a request for guidance on behalf of your client (“Company”) to interpret the sales tax exemption for tangible personal property that is permanently affixed to aircraft in C.R.S. 39-26-711(1)(b).

The Colorado Department of Revenue (“Department”) issues general information letters and private letter rulings. A general information letter provides a general overview of the relevant tax issues, but is not binding on the Department. A private letter ruling provides a specific determination for a specific set of facts, is binding on the Department but not on the taxpayer, and requires payment of a fee. For more information about general information letters and private letter rulings, please see Department Rule 1 CCR 201-1, 24-35-103.5.

The Department treats this request as a general information letter. It is important to remember that general information letters, such as this one, are general discussions of tax law and are not binding on the Department. If Company would like the Department to issue a private letter ruling on the issue raised here, Company can submit a request and pay the fee in compliance with Department Rule 1 CCR 201-1, 24-35-103.5.

### **Issue**

Are aircraft parts that are permanently affixed as a component part of an aircraft, which is not an aircraft used in interstate commerce by a commercial airline, subject to sales and use tax?

### **Discussion**

Aircraft used in interstate commerce and parts permanently affixed to aircraft are exempt from sales and use tax.<sup>1</sup> Although the exemption for the sale of aircraft is

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<sup>1</sup> §39-26-711(1), C.R.S.

limited to aircraft used in interstate commerce by a commercial airline,<sup>2</sup> there is no similar requirement that aircraft parts must also be used on aircraft used in interstate commerce in order to be exempt.<sup>3</sup> Examples of exempt tangible personal property permanently affixed to aircraft include, but are not limited to, fuselage parts, parts for aircraft engines, seats permanently affixed to the aircraft, and paint.<sup>4</sup> This exemption applies to state, Regional Transportation District/Scientific and Cultural Facilities District, county and state-collected local taxes. Home-rule cities should be contacted to determine their regulations.

### **Miscellaneous**

This letter represents the good faith opinion of Department personnel who are knowledgeable on state taxes issues. However, the Department does not make a specific determination here on any of the issues raised and the Department is not bound by this general information letter.

The Department administers state and state-administered local sales and use taxes. This letter does not address sales and use taxes administered by home-rule cities and home-rule counties. You may wish to consult with local governments which administer their own sales or use taxes about the applicability of those taxes. Visit our web site at [www.colorado.gov/tax](http://www.colorado.gov/tax) for more information about state and local sales taxes.

Enclosed is a redacted version of this letter. Pursuant to statute and regulation, this redacted letter will be made public within 60 days of the date of this letter. Please let me know in writing within that 60 day period whether you have any suggestions or concerns about this redacted letter.

Sincerely,

Ryan Doerflein  
Colorado Department of Revenue  
Office of Tax Policy & Analysis

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<sup>2</sup> §39-26-711(1)(a), C.R.S.

<sup>3</sup> *Id.*

<sup>4</sup> Department of Revenue FYI Sales 85: Sales Tax Exemption on Aircraft and Aircraft Parts