

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Transportation

BILL: SB 266

INTRODUCER: Senator Harrell

SUBJECT: Tax of Electric Vertical Takeoff and Landing Aircraft

DATE: March 11, 2025

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Johnson	Vickers	TR	Pre-meeting
2.			FT	
3.			AP	

I. Summary:

SB 266 exempts from sales and use tax and discretionary local sales taxes the lease, sale, or transfer of eVTOL aircraft from a manufacturer to an operator.

The Revenue Estimating Conference estimates that the bill will have a recurring negative fiscal impact on state and local revenues. This estimate is based on assumptions on estimated costs of eVTOL aircraft and a proposed amendment defining the term eVTOL aircraft. See Section V., Fiscal Impact Statement.

The bill takes effect July 1, 2025.

II. Present Situation:

Florida Sales and Use Tax

Florida levies a six percent sales and use tax on the sale or rental of most tangible personal property,¹ admissions,² transient rentals,³ and a limited number of services. Chapter 212, F.S., contains provisions authorizing the levy and collection of Florida's sales and use tax, as well as exemptions and credits applicable to certain items or uses under specified circumstances. Sales and use tax is added to the price of a taxable good or service and collected from the purchaser at the time of sale.⁴

¹ Section 212.05(1)(a)1.a., F.S.

² Section 212.04(1)(b), F.S.

³ Section 212.03(1)(a), F.S.

⁴ Section 212.07(2), F.S.

Counties are authorized to impose local discretionary sales surtaxes in addition to the state sales tax.⁵ A surtax applies to “all transactions occurring in the county which transactions are subject to the state tax imposed on sales, use, services, rentals, admissions, and other transactions by [ch. 212, F.S.], and communications services as defined in ch. 202.”⁶ The discretionary sales surtax is based on the tax rate imposed by the county where the taxable goods or services are sold or delivered.⁷

Generally, tangible personal property that is sold in an isolated or occasional sale is exempt from the state sales and use tax.⁸ A seller makes an isolated or occasional sale if the sale or series of sales occurs no more than twice during any 12-month period.⁹ A seller is required to register as a dealer if he or she completes more than three sales of the same type of item during a 12-month period.¹⁰ The sale of mobile homes, aircraft, boats, and motor vehicles are expressly excluded from the isolated or occasional state sales and use tax exemption.¹¹

Florida Taxation of Aircraft

Aircraft purchased through a local dealer or broker are taxed as tangible personal property that is subject to a six percent sales tax at the time of the sale.¹² A discretionary local sales tax on up to the first \$5,000 of the purchase price may also be added to the tax.¹³

An aircraft that is sold by a nonregistered dealer or an aircraft that is purchased in another state and brought into Florida for storage or use is subject to Florida’s six percent use tax.¹⁴

Aircraft Sales and Use Tax Exemptions

Common Carrier Exemptions—Sales and Lease Tax

Aircraft operated by a common carrier that either have a maximum certified takeoff weight of more than 15,000 pounds, and those deemed “qualified aircraft” are exempt from Florida’s sales and use tax.¹⁵ A “qualified aircraft” is any aircraft that has a maximum certified takeoff weight of less than 10,000 pounds and that is equipped with twin turbofan engines that meet Stage IV noise requirements that is used by a business that operates as an on-demand air carrier, which owns or leases a fleet of 25 or more aircraft in Florida.¹⁶ In order to qualify for this sales and

⁵ Section 212.055, F.S.

⁶ Section 212.054(2)(a), F.S.

⁷ Office of Economic and Demographic Research, *Florida Tax Handbook*, 242-243. (2024), available at <http://edr.state.fl.us/Content/revenues/reports/tax-handbook/taxhandbook2024.pdf> (last visited March 5, 2025).

⁸ Rule 12A-1.037(1). See also, s. 212.02(2), defining “business” as activity engaged in by a person with the object of private or public gain, benefit, or advantage.

⁹ Rule 12A-1.037(3)(b), F.A.C.

¹⁰ *Id.*

¹¹ See, s. 212.05(1)(a)1.b., F.S., and Rule 12A-1.037(2)(a)1., F.A.C.

¹² Section 212.05(1), F.S.

¹³ Florida Department of Revenue (DOR), *Form GT-800008, Sales and Use Tax Aircraft Information for Owners and Purchasers* (rev. July, 2023), available at https://floridarevenue.com/Forms_library/current/gt800008.pdf (last visited March 5, 2025). See also, DOR, *Sales and Use Tax Return for Aircraft- Form DR-15AIR* (rev. Jan. 2016), available at https://floridarevenue.com/Forms_library/current/dr15air.pdf (last visited March 5, 2025).

¹⁴ Section 212.05(1)(a)2, F.S. See also, DOR, *Form GT-800008*.

¹⁵ Section 212.08(7)(ss), F.S.

¹⁶ Section 212.02 (33), F.S.

lease tax exemption, the qualified aircraft must be offered for use in a Florida university's flight training and research program.¹⁷ Aircraft with a 15,000 pound maximum certified takeoff weight are exempt from sales tax.¹⁸

Common Carrier Exemption- Tax on Repair and Maintenance

Labor charges for the repair and maintenance of qualified aircraft and aircraft that weigh more than 2,000 pounds maximum certified takeoff weight are exempt from tax under ch. 212, F.S.¹⁹ Similarly, replacement engines, parts, and equipment used to repair or maintain these aircraft are exempt from the tax imposed under ch. 212, F.S., if the repair occurs in Florida.²⁰

To receive the repair and maintenance exemptions for a qualified aircraft, a purchaser or lessee must offer, in writing, to participate in a flight training and research program with at least two Florida Universities that offer graduate programs in aeronautical or aerospace engineering and that offer flight training through a school of aeronautics or college of aviation.²¹

Fly-Away Exemption

If a nonresident purchases an aircraft in Florida and plans to remove the aircraft from the state, the purchase is exempt from sales tax pursuant to an exemption commonly referred to as the "fly-away exemption."²² However, the nonresident purchaser must remove the aircraft from Florida within 10 days of its purchase.²³ Additionally, the aircraft cannot return to Florida for a total of more than 21 days during the six-month period after its date of purchase or otherwise appropriate departure from the state.²⁴

The nonresident purchaser must provide the Department of Revenue with proof of transport of the aircraft out of state and its registration (or application for registration) in a state other than Florida.²⁵

Aircraft Repair and Maintenance

Labor charges and specific equipment used for the repair and maintenance of qualified aircraft and aircraft of more than 2,000 pounds maximum certified takeoff weight, including rotary wing aircraft, are exempt from the tax imposed under ch. 212, F.S.²⁶

Additionally, nonresident purchasers of aircraft in Florida are exempt from Florida use tax for the duration of the aircraft's placement in a Florida registered repair facility for the purpose of

¹⁷ Section 212.0801, F.S.

¹⁸ Section 212.08(7)(ss), F.S.

¹⁹ Section 212.08(7)(ee), F.S.

²⁰ Section 212.08(7)(rr), F.S.

²¹ Section 212.0801, F.S.

²² Sections 212.08(7)(fff)1. and 212.05(1)(a)2., F.S.

²³ Section 212.05(2)(a), F.S.

²⁴ Section 212.08(7)(fff)1., F.S.

²⁵ See, e.g., Rule 12A-1.007(10), F.A.C.

²⁶ Section 212.08(7)(ee), F.S.

repairs, alterations, refitting, or modification.²⁷ However, the nonresident aircraft must be removed from Florida within 20 days of completion of the repairs to maintain this exemption.²⁸

Advanced Air Mobility

The National Aeronautics and Space Administration (NASA) defines the term “advanced air mobility” (AAM) to mean “an air transportation system that moves people and cargo between places previously not served or underserved by aviation – local, regional, intraregional, urban – using revolutionary new aircraft that are only just now becoming possible.”²⁹

Numerous uses for AAM are being explored, including air taxi, air cargo, and public services. Air taxi uses feature passenger transportation within and around urban and regional areas, including routes connecting city centers to airports or to neighboring city centers. Air cargo uses feature cargo transportation supporting the middle-mile of logistics, generally seen as from the cargo port to the distribution center. Public service uses, such as search and rescue, disaster relief, and air ambulance operations are all likely early use cases for electric vertical take-off and landing (eVTOL) aircraft.³⁰

In October 2024, the Federal Aviation Administration (FAA) issued a final rule regarding the qualifications and training that instructors and pilots must have to fly “powered-lift” aircraft, which have characteristics of both airplanes and helicopters. The FAA rule also addresses their operational requirements, including minimum safe altitudes and required visibility.³¹

eVTOL Aircraft

The term “electric vertical takeoff and landing (eVTOL) aircraft” is not defined in Florida law. However, the term eVTOL aircraft generally refers to electric-powered aircraft that vertically take off and land. Similar to a helicopter, eVTOL aircraft hover and fly, and are typically designed to carry two to six people, including a pilot.³²

At this time, no eVTOL aircraft have been approved by the FAA, and Florida law does not address advanced air mobility. Therefore, the cost of eVTOL aircraft and their exact use cases are not completely known at this time.

III. Effect of Proposed Changes:

The bill creates s. 212.08(7)(vvv), F.S., exempting from sales and use tax the lease, sale, or transfer of eVTOL aircraft from a manufacturer to an operator.

²⁷ Section 212.08(7)(fff)2., F.S.

²⁸ Section 212.05(2)(f), F.S.

²⁹ Florida Department of Transportation, *Advanced Air Mobility*, <https://www.fdot.gov/aviation/advanced-air-mobility> (last visited March 3, 2025).

³⁰ *Id.* at 2.

³¹ Federal Aviation Administration, *With New Rule, FAA is Ready for Air Travel of the Future*, October 22, 2024. Available at: <https://www.faa.gov/newsroom/new-rule-faa-ready-air-travel-future> (last visited March 5, 2025).

³² Matthew Urwin, *Electricity-powered flying taxis are almost ready for liftoff*, December 3, 2024, available at: <https://builtin.com/articles/evtol-aircraft> (last visited March 3, 2025).

The bill takes effect July 1, 2025.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

Article VII, s. 18 of the Florida Constitution governs laws that require counties and municipalities to spend funds, limit the ability of counties and municipalities to raise revenue, or reduce the percentage of state tax shared with counties and municipalities.

Subsection (b) of s. 18, Art. VII of the Florida Constitution provides that except upon approval of each house of the Legislature by two-thirds vote of the membership, the legislature may not enact, amend, or repeal any general law if the anticipated effect of doing so would be to reduce the authority that municipalities or counties have to raise revenue in the aggregate, as such authority existed on February 1, 1989. However, the mandates requirements do not apply to laws that have an insignificant impact,^{33,34} which is \$2.4 million or less for Fiscal Year 2025-2026.³⁵

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

On February 21, 2025, the Revenue Estimating Conference (REC) reviewed this bill and estimated that it will have a negative recurring impact to General Revenue of \$8.1 million annually, with a recurring insignificant negative fiscal impact to state trust finds. The

³³ FLA. CONST. art. VII, s. 18(d).

³⁴ An insignificant fiscal impact is the amount not greater than the average statewide population for the applicable fiscal year multiplied by \$0.10. See Florida Senate Committee on Community Affairs, *Interim Report 2012-115: Insignificant Impact*, (September 2011), available at <http://www.flsenate.gov/PublishedContent/Session/2012/InterimReports/2012-115ca.pdf> (last visited March 5, 2025).

³⁵ Based on the Demographic Estimating Conference's population adopted on February 4, 2025. The conference packet is available at <https://edr.state.fl.us/Content/conferences/population/index.cfm> (last visited March 5, 2025).

REC also estimated that the bill will have a negative recurring impact of \$1.1 annually to local revenues.³⁶

The REC's analysis was based on current estimated eVTOL price ranges of between \$120,000 and \$10,000,000, and an assumption of limited expected use within five years and more widespread use within 10 years. The REC's estimate was based on a proposed amendment defining the terms "eVTOL aircraft" and "operator," and providing that an eVTOL aircraft does not include a drone.³⁷

B. Private Sector Impact:

The private sector may experience reduced costs when purchasing eVTOL aircraft; however, the bill limits this impact to when a manufacturer sells an eVTOL aircraft to an operator.

C. Government Sector Impact:

The Department of Revenue (DOR) will be required to either update Rule 12A-1.038, FAC., relating to sales exemptions or create a new rule to administer this new sales tax exemption. Additionally, DOR may be required to update some of its forms and documents to reflect this exemption. DOR expects the bill to only have an operational impact.³⁸

VI. Technical Deficiencies:

For purposes ch. 212, F.S., the definition of the term "sale" includes any transfer of title or possession, or both, exchange, barter, license, lease, or rental, conditional or otherwise, in any manner or by any means whatsoever, of tangible personal property for a consideration.³⁹

Since the bill does not define the term "eVTOL aircraft," it is not clear what types of aircraft may be included in this tax exemption. As the bill is drafted, the term eVTOL aircraft could be interpreted to include certain electric powered drones.⁴⁰

The bill not clear as to what is meant by the term "operator."⁴¹

³⁶ Revenue Estimating Conference, 2025 Conference Results, pp. 51-53. Available at: <https://edr.state.fl.us/Content/conferences/revenueimpact/archives/2025/pdf/impact0221.pdf> (last visited February 27, 2025).

³⁷ *Id.*

³⁸ Florida Department of Revenue, *Agency Analysis of 2025 Senate Bill 266*, January 31, 2025., p. 2-3. (On file with Senate Committee on Transportation).

³⁹ *Id.* Section 212.02(15)(a), F.S.

⁴⁰ *Id.*

⁴¹ *Id.*

VII. Related Issues:

As the bill is written, the sales tax exemption would not apply to sales, leases, and transfers to or by dealers, or other selling parties, other than a manufacturer. Nor would the exemption apply to purchasers, lessees, and transferees that do not operate the eVTOL.⁴²

VIII. Statutes Affected:

This bill substantially amends section 212.08 of the Florida Statutes.

IX. Additional Information:**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

⁴² *Id.*