

Subject Airport property tax exemption

Authors Kozlowski and Olson, L.

Analyst Jared Swanson

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Summary

Makes several changes to how certain airport property is taxed. Under current law, when exempt property is leased by a private individual, association, or corporation in connection with a business conducted for profit, the property becomes taxable. There are two exceptions to this taxation for certain airport property. First, hangars used for the storage or repair of aircraft at airports owned by local units of government are exempt, provided that the airport is not owned by the Metropolitan Airports Commission or by a city with a population over 50,000. Second, the check-in area of a public airport is exempt, provided that the airport is not owned by the Metropolitan Airports Commission or by a city with a population over 50,000.

This bill would extend the exemption for hangars to those used for the manufacture of aircraft, provided that the hangar is at an airport that is not owned by either the Metropolitan Airports Commission or a city with a population of over 50,000. The bill also provides for 12 years, a 50 percent reduction in net tax capacity for hangars used for the manufacture of aircraft and the check-in area of an airport, provided that the property is located at an airport owned by a city with a population greater than 50,000 but less than 150,000.

Effective date: This section is effective beginning with property taxes payable in 2024.