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March 17, 1992

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Mr. J--- A. V---, Esq.  
B---, L--- & M---  
Attorneys at Law  
Suite XXX --- Square  
XXXXX East --- Street  
---, CA XXXXX

Re: V--- A---, Inc.  
SY -- XX-XXXXXX

Dear Mr. V---:

This is in reply to your December 11, 1991 letter regarding our letters of September 23, 1991 and October 4, 1991. The letters concern the purchase of a corporate aircraft by V--- A---, Inc.

Our letters concluded that use tax would not apply to the use of the aircraft by V---, because the aircraft is first functionally used in interstate commerce outside California, enters California in the course of such use, and is then used continuously in interstate commerce while in California. Our conclusion was predicated on the assumption that certain training flights to which you referred were conducted for the purpose of training personnel who will fly the particular aircraft which is the subject of the opinion and that the test flights to which you referred were made for the purpose of determining that the aircraft is in proper operating condition.

You note that, V--- has accepted delivery of its corporate aircraft, and there have been several trips from San Jose to Long Beach Airport for purposes of maintenance and small "glitch" type items. You note that, when the aircraft goes to Long Beach for service and maintenance, only the crew is on board for the trip. You note that, since there have been several of such intrastate trips, you wish to confirm that the trips do not disqualify V---'s exemption from use tax.

You did not explain what you mean by “glitch type items.” However, if the sole purpose of the intrastate flights is to transport the aircraft to Long Beach for service and maintenance, the flights do not prevent the application of the exemption.

Very truly yours,

Ronald L. Dick  
Senior Tax Counsel

RLD:sr