

# Aircraft excise tax

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## Sales and Use Tax

Washington residents have the responsibility to pay sales or use tax on aircraft used in Washington, unless a specific exemption applies. Sales tax is due on the selling price and is collected by the aircraft dealer or broker. If sales tax was not paid, use tax is due on the value of the aircraft at the time of first taxable use, based on the combined state and local tax rate at the location the aircraft will be permanently hangared in Washington. Use tax is calculated at the same rate as sales tax. You are eligible to receive credit for sales or use tax previously paid. You may also be eligible to receive credit for a trade-in.

Non-residents may use aircraft in this state for up to ninety (90) days in any continuous 12-month period without incurring use tax liability.

For more information, see: WAC 458-20-178, WAC 458-20-145, WAC 458-20-247, RCW 82.12, RCW 82.14, RCW 82.08

## How is use tax determined?

Use tax is calculated by multiplying the fair market value (FMV) of the aircraft by the use tax rate. The FMV is determined as nearly as possible according to the retail selling price of similar aircraft in the same condition.

When the purchase price reflects the FMV of an aircraft, use tax is based on what you paid. The purchase price is accepted as the aircraft's value if the purchase price is no more than 20% below the fair market value, or when the fair market value is less than \$7,500.

## Sales or Use

### Tax exemptions

- Aircraft acquired by gift if the donor paid Washington retail sales or use tax on the aircraft. However, a credit for tax paid in another jurisdiction is available if documentation of tax paid is provided.
- Aircraft brought into Washington by nonresidents for their use or enjoyment while temporarily within this state. Temporarily means no more than 90 days in any continuous 12-month period.
- Aircraft purchased or used primarily (more than 50 percent of the time) for interstate or foreign commerce by transporting persons or property for hire.
- Aircraft purchased exclusively for the purpose of renting or leasing on a bare-rental basis, i.e., without a pilot. In this case, the lessor must collect retail sales tax on the lease payments from the lessee.
- Large private aircraft (over 41,000 pounds) sold to nonresidents if the aircraft is not required to be registered in the state under chapter 47.68 RCW.
- Sales of or charges made for labor and services rendered in respect to repairing, cleaning, altering, or improving large private airplanes owned by nonresidents of this state.

For more information, see: RCW 82.08.215, chapter 47.68 RCW

### Payment of Tax

If you bought your aircraft from a Washington retailer, you should have paid sales tax at the time of the purchase. If you bought your aircraft in another state or from a private party, you may not have paid sales tax. In this case, you are liable for use tax unless one of the exemptions apply.

If you paid retail sales tax to another state, you may be eligible for a credit against Washington's use tax. Use tax can be paid at a Department of Revenue office, by mail, or by submitting your bill of sale to [usetax@dor.wa.gov](mailto:usetax@dor.wa.gov)

(additional documents may be requested). Once paid, the Department of Revenue will issue a Declaration of Use Tax. This document is a receipt of tax paid and should be provided to the Washington State Department of Transportation (WSDOT) Aviation Division.

## **Federal Registration**

Every pilot operating an aircraft in Washington must have the appropriate certificate, permit, license, or rating issued by the Federal Aviation Administration (FAA). In addition, all aircraft must have the appropriate certificate, permit, or license and a current registration certificate issued by the FAA prior to operating an aircraft in this state. Visit [www.faa.gov](http://www.faa.gov) for more information.

## **State Registration**

Washington State Department of Transportation (WSDOT) Aviation Division, administers the state aircraft registration program, as well as the aircraft excise tax. DOT requires every aircraft operating or based in Washington be registered unless the aircraft meets one of the exemptions listed on <https://wsdot.wa.gov/travel/aviation>.

For more information, see: RCW 47.68.250

## **Aircraft Excise Tax**

Aircraft excise tax is due every year during the month of January and is paid to the WSDOT Aviation Division. If you purchase an aircraft, you have 30 days to register with WSDOT. New registrants must pay any sales or use taxes due on the aircraft to the Washington State Department of Revenue. The Department of Revenue will issue you a Declaration of Use Tax when your use tax obligation has been satisfied.

## **Personal Property Tax**

Aircraft that are exempt from the aircraft excise tax and operate in an “airplane company” are subject to personal

property tax. An “airplane company” uses aircrafts to transport people or property for compensation. Airplane companies are assessed by the Department of Revenue and the tax is collected by county treasurers. Aircraft for commuter air carriers (small commercial aircraft) may be taxed differently.

For more information, see: RCW 82.48.030.

## More information

Aviation Division (Washington State Department of Transportation)

FAA Flight Standards District Offices [↗](#) (FSDO)

## Forms & publications

Tax Reference Manual (pdf)

## References

Revised Code of Washington (RCW) 82.48.020



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