

Minnesota revenue notice #96-5

Sales and Use Tax - Sales of Ultralight Planes

The Department of Revenue defines aircraft to be any contrivance, now known or hereafter invented, used or designed for navigation of and/or flight in the air.

Aircraft includes, but is not limited to:

- airplanes
- gliders/sail planes
- helicopters
- hot air balloons
- ultralight planes or vehicles.

In a 1991 Minnesota Tax Court case, the court ruled, "All sales of aircraft are taxed, whether occasional sale or not; unless some other exemption applies." Crosby v. Commissioner of Revenue, Minn. Tax Court, No. 5548 (1991). Accordingly, the Minnesota Sales and Use Tax applies to all sales and purchases of all vehicles included in the above definition of aircraft.

Because ultralight planes or vehicles meet the definition of aircraft, their sales and purchases are subject to sales or use tax and are not exempt as occasional sales. Whether the ultralight is required to be registered by the state or federal government is immaterial to this determination.

Dated: May 20, 1996

Patricia A. Lien
Assistant Commissioner for Tax Policy