



2 March 2012

Europe Air Sports (EAS) takes action against Italian luxury tax on private aircraft (Legge 27 dicembre 2011, n. 214.)

EAS members may be aware that on 27 December 2011 Italy adopted law n.214 putting forward several taxes as part of the country's efforts to reduce its fiscal deficit. Among many other things this law introduces a **property** tax on privately owned aircraft according to their Maximum Take Off Mass (MTOM). Furthermore, it introduces a flat annual tax of EUR 450 for gliders, motor-gliders, gyrocopters, balloons and airships.

The tax applies to all aircraft owned by Italian citizens regardless of where the aircraft is registered, **and to visiting aircraft** (14-bis) if they stay in Italy for a time exceeding 48 hours. The tax can be very substantial, starting with EUR 1,50/kg – annually – for a MTOM up to 1.000kg, increasing to EUR 7,55 for MTOM exceeding 10.000kg.

EAS takes the view that it is unfortunate that non-Italian pilots / owners visiting Italy are captured by Italy's austerity measures. In view of the provisions of the Chicago Convention EAS is particularly concerned with the legality and impact of the tax on owners or operators of non-Italian European registered aircraft visiting Italy for tourism or to participate in international recognised competitions.

According to the new law the full annual tax is due for all visiting aircraft if they stay in Italy for a period exceeding 48 hours. In practice, this implies that the full annual tax applies to visiting aircraft even though they might only stay for a few days.

In view of the above EAS has made an official written representation to the European Commission's DG TAXAUD, the department responsible for taxation matters.

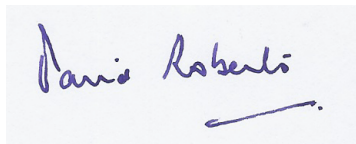
EAS has asked the European Commission to study the tax carefully and to request that Italy deletes those provisions concerning the taxation of visiting aircraft. Furthermore, EAS has drawn the European Commission's attention to Council Directive 83/185/EEC concerning tax exemptions within the Community for certain means of transport

temporarily imported into one Member State from another. It may well be that the new Italian law does not conform to the provisions of this Directive.

Following the submission DG TAXAUD has confirmed the receipt of our representations and has committed to look into the matter. In parallel DG TAXAUD has advised that EAS maintains the political pressure against the law at the Italian national level.

Your board member Sergio Calabresi, together with the Italian Aero Club, has met recently with the Italian Minister of Finance to discuss the matter. Activities against the tax are therefore ongoing both at the European and the national level.

Yours sincerely,

A handwritten signature in blue ink that reads "David Roberts". The signature is written in a cursive style and is positioned above a horizontal line.

David Roberts, President