

OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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Auditor of State

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NEWS RELEASE

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FOR RELEASE _____ February 29, 2016

Auditor of State Mary Mosiman today released a report on a review of the Iowa Department of Transportation (DOT), Office of Aviation. The review was conducted for the period January 1, 2014 through February 28, 2015 to determine compliance with aircraft registration requirements.

Mosiman reported \$1,574,726.21 of use tax, registration fees, back fees, and penalties was collected by the Office of Aviation as of February 28, 2015 as the result of its compliance initiative to identify unregistered aircraft which began in 2014. Mosiman also reported the compliance initiative identified 714 aircraft as of February 28, 2015 which appeared to belong to Iowa owners but were not registered with the DOT during 2014.

In addition to identifying the unregistered aircraft, the Office of Aviation sent correspondence to the owners of the 714 aircraft regarding registration. As a result of the Office's outreach efforts, by December 31, 2014 307 of the 714 aircraft identified were registered with DOT and it was determined 199 were not required to be registered as a result of certain exemptions.

Because sufficient information is not available regarding individual unregistered aircraft, it is not possible to determine how much additional use tax and other fees are due to DOT for aircraft which should have been registered but were not. Mosiman reported the Office of Aviation continues to attempt to ensure the owners of aircraft comply with registration requirements or document an authorized exemption to the registration requirements.

A copy of the report is available for review in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/specials/1460-6450-BOP1.pdf>.

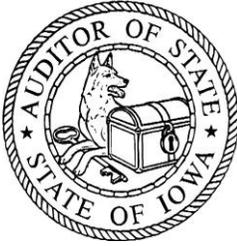
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**REPORT ON A REVIEW
OF THE
IOWA DEPARTMENT OF TRANSPORTATION,
OFFICE OF AVIATION

FOR THE PERIOD
JANUARY 1, 2014 THROUGH FEBRUARY 28, 2015**

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Auditor of State's Report

To the Governor and
Members of the General Assembly:

In conjunction with our audit of the financial statements of the State of Iowa for the year ended June 30, 2014 and in accordance with Chapter 11 of the *Code of Iowa (Code)*, we have conducted a review of the Iowa Department of Transportation (DOT), Office of Aviation (Office). Our review included an assessment of certain operations and selected financial transactions of the Office. We applied certain tests and procedures for the period January 1, 2014 through February 28, 2015. Based on a review of relevant information, the *Code of Iowa*, administrative rules, and discussions with Office personnel, we performed the following procedures:

- (1) Reviewed DOT policies and procedures, applicable sections of the *Code of Iowa* and Iowa Administrative Code, and information from the Federal Aviation Administration (FAA) to obtain an understanding of Office operations.
- (2) Compared an electronic file used by the Office to track registered aircraft and payments for registrations and use tax to various data sources to determine completeness and accuracy.
- (3) Verified files pertaining to aircraft which do not need to be registered with the DOT and tested the accuracy of the exempt classification.
- (4) Analyzed revenue records for aircraft registrations and use tax to determine the increase in collections after registration initiatives implemented by the Office.

Based on these procedures, we determined the Office implemented a compliance initiative in 2014 which resulted in the identification of 714 aircraft as of February 28, 2015 which appeared to belong to Iowa owners but were not registered with DOT during 2014 or verified as exempt. As a result of the Office's outreach efforts, a number of the aircraft are now registered or verified as exempt from registration. Also as a result of the Office's compliance initiative, approximately \$1.6 million was collected as of February 28, 2015.

The procedures described above do not constitute an audit of financial statements conducted in accordance with U.S. generally accepted auditing standards. Had we performed additional procedures, or had we performed an audit of the Office, other matters might have come to our attention that would have been reported to you.

We extend our appreciation to the personnel of the Iowa Department of Transportation for the courtesy, cooperation, and assistance provided to us during this review.


MARY MOSIMAN, CPA
Auditor of State


WARREN C. JENKINS, CPA
Chief Deputy Auditor of State

December 2, 2015

Report on a Review of the
Iowa Department of Transportation,
Office of Aviation

Introduction

The Office of Aviation (Office) is part of the Iowa Department of Transportation (DOT). The Office advocates for and delivers services which promote and enhance a healthy air transportation system. Emphasis is placed on building cooperative working relationships, advocating for opportunities to strengthen aviation in Iowa, coordinating outreach programs, maintaining a comprehensive data collection system, and managing programs that promote a safe and secure air transportation system.

Among other duties, Office staff are responsible for:

- administration of state and federal aviation funding programs,
- management of the aircraft registration program,
- inspection and certification of all public use airports,
- statewide aviation weather reporting,
- communications, outreach, and educational activities,
- aviation system planning,
- aviation data collection,
- runway markings and windsocks for airports,
- air service analysis and development,
- pavement inspections at federally funded airports, and
- special studies and initiatives.

Funding for these responsibilities is provided by aircraft registration fees, use tax, aviation fuel tax, and federal funding. The funds collected are primarily used for airport development projects, the automated weather observing system, runway markings, and windsocks.

The Office of Auditor of State was contacted by a concerned citizen in 2013 regarding the collection of aircraft registration fees by DOT. The citizen reported DOT did not collect registration fees from all aircraft owners and stated he was aware of certain aircraft owners who did not pay registration fees because they had not registered their aircraft with DOT.

By comparing reports available from the Federal Aviation Administration (FAA) in 2013 to the aircraft registered with DOT, we determined there was a significant difference between the number of Iowa aircraft registered with the FAA and the number registered with DOT. As a result, it appeared DOT was not collecting registration fees for the unregistered aircraft. We met with representatives of the Office to determine the reasons for the differences in aircraft registrations.

During meetings with representatives of the Office, they stated they were aware of the differences between the number of aircraft registered with the FAA and the number registered with the DOT. A representative of the Office we spoke with stated the FAA had recognized issues with the accuracy of its database and, at the time of our meeting, was undergoing a nationwide reregistration program in order to ensure a more complete and accurate database of registered aircraft was maintained.

The representative also stated the Office was in the process of developing a compliance initiative to be carried out in an effort to reduce the number of aircraft which were not properly registered with DOT. They planned to start the initiative after the FAA completed the nationwide reregistration program, which was expected to be completed in late 2013.

As a result of the plans already in place by DOT personnel, we did not begin testing immediately. Instead, we performed certain procedures after the compliance initiative was completed to ensure the initiative identified the appropriate unregistered aircraft and procedures were implemented to collect the appropriate use tax and registration fees.

Objectives, Scope, and Methodology

Our review was conducted in conjunction with our audit of the financial statements of the State of Iowa and in accordance with Chapter 11 of the *Code of Iowa*. The purpose of the review was to determine if the Office established procedures to ensure compliance with applicable laws, rules, and guidelines related to registration of aircraft within the State of Iowa. To accomplish this objective, we:

- Identified and reviewed applicable laws, rules, and guidelines related to aircraft registration.
- Interviewed staff responsible for aircraft registration to obtain an understanding of the administration, policies, procedures, controls, and monitoring of the registrations.
- Reviewed and evaluated the procedures and controls related to the monitoring of aircraft registrations.
- Reviewed the compliance initiative developed and implemented for aircraft registration.

As a result of the procedures performed, we determined the Office carried out an extensive compliance review in 2014 which resulted in identification of unregistered aircraft. The Office also performed outreach procedures for the unregistered aircraft which resulted in a number of aircraft becoming properly registered with DOT or DOT obtaining appropriate documentation of the aircrafts' exemption from registration. In addition, a summary of use tax and fees collected by the Office as a result of the compliance initiative is presented.

Detailed Findings

AIRCRAFT REGISTRATIONS AND USE TAX

In accordance with Chapter 328 of the *Code of Iowa*, all aircraft located in the State of Iowa, including those which are not airworthy, are to be registered with the Office, unless specifically exempted. Exemptions include aircraft registered in a foreign country, aircraft owned by a governmental entity, hot air balloons, aircraft which are displayed in a museum, or aircraft in the inventory of a manufacturer, transporter, or dealer. In addition, aircraft owned by an Iowa resident but which is continuously located and operated "beyond the boundaries of the state" are exempt from registration with DOT. For example, if an aircraft owner resides in Iowa, but their aircraft is exclusively housed in and continuously operated from Arizona, the aircraft is not required to be registered with DOT.

Aircraft are to be registered within 30 days of purchase. Registrations are valid for a year starting the first day of the month in which the aircraft is registered and ending on the last day of the 12th month. **Appendix A** includes an example of the registration form to be completed and submitted for each aircraft.

The registration fees are calculated based on the manufacturer’s list price and a percentage established by section 328.21 of the *Code of Iowa*. The fee structure is summarized in **Table 1**. As specified by the *Code*, the minimum registration fee is \$35.00 and the maximum fee is \$5,000.00. The *Code* also specifies when an aircraft other than a new aircraft is registered, the registration fee shall be based upon the number of years the aircraft was previously registered.

Table 1

Registration Period	Formula for Determination of Fees
1 st year of registration	1.0% of manufacturer's list price
2 nd year of registration	0.75% of manufacturer's list price
3 rd year of registration	0.50% of manufacturer's list price
4 th through 29 th years	0.25% of manufacturer's list price
30 years and more	Flat fee of \$35.00

In accordance with section 328.21 of the *Code*, if an established manufacturer’s list price does not exist for an aircraft, DOT is authorized to determine the fair value of the aircraft to be used in lieu of a manufacturer’s list price. The *Code* section also specifies when the computed fee results in a fractional part of a dollar, the registration fee shall be computed to the nearest dollar.

Section 328.21 of the *Code* specifies an aircraft which is not airworthy and is not in flying condition is not subject to registration fees if the owner submits information required by DOT. Upon acceptance of that information, DOT will issue a certificate which states the registration fee has not been paid and the aircraft shall not use the airports or the air space overlying the state until the fee has been paid.

In addition, exceptions to the fees summarized in **Table 1** include helicopters used exclusively as an air ambulance service. The annual registration fee for these aircraft is \$1,000.00. Also, the registration fee for aircraft owned and operated by an aviation business located at a publicly owned, public use airport and providing a specified minimum level of aviation services to the general public is established as \$100.00.

If fees are not paid within 30 days of the date due, a monthly penalty of 5% will accrue until the registration and any other applicable fees are paid. Penalties can be waived at the discretion of representatives of the Office if the aircraft owner contacts them.

In addition to the annual registration fee, a one-time use tax is collected when the aircraft is initially registered. The use tax is 6% of the purchase price of the aircraft.

2014 COMPLIANCE INITIATIVE

As previously stated, the Office acknowledged a gap between aircraft registered with the State of Iowa and those which should have been registered based on information from the Federal Aviation Administration (FAA) and various other sources. As a result of this difference, the Office implemented a compliance initiative in 2014 to narrow the gap. To do this, the Office performed a “scrub”, or detailed review, of its database and performed certain procedures to compile the most complete list it could of aircraft which were not registered with the State.

The Office used information from the sources listed in **Table 2** to identify aircraft owners who had not registered their aircraft with DOT. The **Table** also illustrates the formula used to identify unregistered aircraft.

Formula for Identifying Aircraft Not Registered with DOT

Iowa aircraft registered with the FAA

Less:

Planes already registered in Iowa (airworthy & unairworthy)

Hot air balloons

Government aircraft

Aircraft dealer inventory

Aircraft not required to be registered based on existing DOT records

= 2014 Aircraft Registration Compliance

Source: DOT, Office of Aviation

An objective of the 2014 compliance initiative was to maintain a current listing of unregistered aircraft for use in the Office's on-going efforts to ensure all aircraft were properly registered or properly documented as exempt. As a result, the listing of unregistered aircraft compiled from the 2014 compliance initiative was continuously updated by adding unregistered aircraft as new information came to the Office. When we began our fieldwork, the Office provided us a copy of the 2014 Aircraft Registration Compliance (ARC) listing which was current as of February 28, 2015. The listing included 714 aircraft which were not registered with the DOT at the start of the initiative, but which appeared as if they should have been.

The Office sent letters to the owners of the 714 aircraft which requested they contact the Office within 30 days to register their aircraft or provide documentation why their aircraft was exempt from registration requirements. **Appendix B** includes a copy of the letter sent to the aircraft owners.

Owners who did not reply within 30 days were sent a postcard reminding them to contact the Office. **Appendix C** includes a copy of the postcard sent to the aircraft owners. A final letter was sent by certified mail to owners who did not reply within a second 30-day period. **Appendix D** includes a copy of the final letter.

Through the outreach efforts completed by the Office, replies were received from 506 aircraft owners by December 31, 2014. The 506 replies resulted in 307 aircraft being registered with DOT. The remaining 199 aircraft were not required to be registered with the DOT for various reasons which were properly documented. As of January 9, 2015, an additional 82 aircraft were registered or determined to be exempt from registration and 12 were in the process of either registering or collecting documentation to show they were not required to be registered. We selected certain aircraft which were determined to be exempt from registration requirements and verified that classification.

The efforts to ensure aircraft are properly registered continued into 2015. Responsibility for maintaining the listing of unregistered aircraft and completing outreach efforts was assigned to a staff member who checks an Aerofax program each month to identify any aircraft recently registered with the FAA with owners who reside in Iowa. The Office allows a 3-month window for owners to register their aircraft. If the aircraft is not registered during those 3 months, the owner is added to the current ARC spreadsheet and the staff member responsible for the compliance program starts the process of contacting the owner.

The Office also monitors flight plans for planes whose owners reside in Iowa but are registered in other states. There is a concern aircraft owners register their planes in the State of Delaware, where there are no registration fees, when their planes are being housed and flown in Iowa. The monitoring of flight plans helps the Office determine if specific aircraft are primarily used in Iowa.

In addition, the Office plans to work with DOT’s Motor Vehicle Enforcement Group to enhance aviation registration enforcement efforts. There currently are no provisions in the *Code of Iowa* or DOT’s administrative rules which allow DOT to prevent aircraft owners who have not properly registered their aircraft from receiving other services from DOT, such as renewal of driver’s licenses or vehicle registrations.

Liens on aircraft which have not been properly registered are permitted by section 328.47 of the *Code of Iowa*. Section 328.47 states, “All registration fees provided for in this chapter shall be and continue a lien against the aircraft for which said fees are payable until such time as they are paid as provided by law, with any accrued penalties.” In addition, section 328.48 of the *Code* states, “The lien of the original registration fee attaches at the time it is payable as provided by law and the liens of all renewals of registration attach on the first day of each registration year.” According to an Office representative we spoke with, it is difficult to place liens on aircraft because ownership is recorded at the federal level. As a result, there are no immediate plans to begin using liens as an enforcement method.

EFFECT OF REVENUES FOR DOT, OFFICE OF AVIATION

As stated previously, registration fees and use tax collected by the Office are used for aviation programs in Iowa including, but not limited to, airport development projects, the automated weather observing system (AWOS), runway markings, and windsocks. Funding for these projects is also received from aviation fuel tax, state funding, and federal funds.

Table 3 summarizes the aircraft registration fees collected by the Office for fiscal years 2007 through 2015.

Fiscal Year	Registration Fees (in millions)	Percent Change from Previous Year
2007	\$ 0.818	3.94%
2008	0.860	5.13%
2009	1.124	30.70%
2010	0.975	(13.26%)
2011	0.960	(1.54%)
2012	1.311	36.56%
2013	1.204	(8.16%)
2014	1.670	38.70%
2015	1.534	(8.14%)

As illustrated by the **Table**, collections increased 38.7% from fiscal year 2013 to fiscal year 2014, which was a result of the 2014 compliance initiative. The 30.7% increase from fiscal year 2008 to fiscal year 2009 resulted from an earlier compliance initiative performed by the Office. The 36.56% increase from fiscal year 2011 to fiscal year 2012 resulted from adding agriculture aircraft to the list of aircraft required to be registered.

According to an Office representative we spoke with, the focus of the 2009 compliance initiative was to develop a database and approach for gaining compliance with existing aircraft and implementing an educational and outreach effort which would educate new aircraft owners of the requirements to register an aircraft when purchased. At the time the 2009 compliance initiative was conducted, the Office also planned to update the database again in the future

and eventually develop a system for keeping a current list of all aircraft required to be registered.

A program specialist position in the Office was upgraded in 2014 and a new employee was hired to fill the position which allowed the more extensive focus on aircraft registration compliance using expertise developed since 2009.

Table 4 summarizes the amounts collected by the Office for aircraft use tax during fiscal years 2007 through 2014. As previously stated, use tax revenues are collected when owners first register their aircraft. Use tax for the aircraft is not collected again unless the owner changes. While compliance initiatives may increase the amount of use tax collected during certain periods, the number aircraft purchased in any given year also impacts the amount collected.

Fiscal Year	Use Tax (in millions)	Percent Change from Previous Year
2007	\$ 3.297	44.99%
2008	5.382	63.24%
2009	3.487	(35.21%)
2010	1.751	(49.78%)
2011	1.433	(18.16%)
2012	2.271	58.48%
2013	3.491	53.72%
2014	5.436	55.71%
2015	3.257	(40.01%)

When a new registration is received from an owner, the aircraft owner is to pay the registration fee and use tax, if not exempt. At the time of registration, the aircraft owner is also to pay any fees not previously paid for prior years and the related penalties. As previously stated, penalties can be waived at the discretion of Office representatives. According to an Office representative we spoke with and based on our review of revenues collected by the Office, the penalties are rarely waived by the Office.

Table 5 summarizes the amounts the Office collected as of February 28, 2015 as a result of the 2014 compliance initiative. As illustrated by the **Table**, the Office collected \$1,574,726.21 from this compliance initiative. The amounts in the **Table** include the use tax, back fees, penalties, and registration fees collected only for the aircraft which were included in the 2014 ARC listing.

Collections	Amount
Use tax	\$ 1,167,477.87
Back fees	197,647.49
Penalties	105,619.94
Registration fees	103,980.91
Total	\$ 1,574,726.21

Because sufficient information is not available regarding individual unregistered aircraft, it is not possible to determine how much additional use tax and other fees are due to DOT for aircraft which should have been registered with the Office but were not. As previously stated, the Office plans to work with the DOT Motor Vehicle Enforcement Group to enhance aviation registration enforcement efforts for the owners of aircraft which have not been properly registered.

CONCLUSION

On February 28, 2015, the 2014 ARC listing compiled by the Office included 714 aircraft which had not been registered with the DOT but appeared as if they should have been. As a result of outreach efforts by the Office during 2014, responses were received from the owners of 506 of the 714 unregistered aircraft by December 31, 2014. The 506 responses resulted in 307 aircraft registered with DOT and 199 aircraft verified by DOT to be exempt from registration. In addition, DOT collected \$1,574,726.21 of use tax, back fees, penalties, and registration fees by February 28, 2015 for the aircraft which were included in the 2014 ARC listing.

According to an Office representative member we spoke with, the Office continues to add unregistered aircraft to the ARC listing as they are identified. The Office also continues outreach efforts to register the aircraft currently included on the listing or verify the aircraft are not required to be registered.

The Office representative we spoke with also stated the Office is continuing to assess options to enhance aviation registration enforcement efforts. The continued outreach efforts by the Office and enforcement efforts will help ensure compliance with requirements established by Chapter 328 of the *Code of Iowa* and collection of registration fees and use tax.

Report on a Review of the
Iowa Department of Transportation,
Office of Aviation

Staff

This review was performed by:

Annette K. Campbell, CPA, Director
Jennifer L. Wall, CPA, Senior Auditor II
Amanda L. Burt, Staff Auditor


Tamera S. Kusian, CPA
Deputy Auditor of State

**Report on a Review of the
Iowa Department of Transportation,
Office of Aviation**

Appendices

Report on a Review of the
Iowa Department of Transportation,
Office of Aviation

Copy of Aircraft Registration Form

 Iowa Department of Transportation
Form 30003a (03-12)
Office of Aviation
Aircraft Registration
800 Lincoln Way
Ames, IA 50010
(515) 239-1691

AIRCRAFT REGISTRATION APPLICATION

E-mail: aircraftregistration@dot.iowa.gov
Web Page: iowadot.gov/aviation

For Dept. Use Only	
Check #: _____	Amt: _____
Date: _____	By: _____
NTR: _____	

<p>Name of Owner(s): _____</p> <p>Street Address: _____</p> <p>City: _____ State: _____ ZIP Code: _____ County: _____</p> <p>Contact Person: _____ Home Phone No.: _____</p> <p>e-Mail Address: _____ Work Phone No.: _____</p>	<p>Serial #: _____ "N" #: _____</p> <p>Make: _____ Model: _____</p> <p>Year of Mfg: _____ Purchase Price: _____</p> <p>Manufacturer's List Price: _____</p> <p>Base Airport Identifier: _____</p>
<p>Status (check one) <input type="checkbox"/> Airworthy <input type="checkbox"/> Unairworthy (a signed explanation of unairworthy status must accompany this application.)</p>	
<p>Type of Aircraft (check one) <input type="checkbox"/> Single-Engine <input type="checkbox"/> Multi-Engine <input type="checkbox"/> Helicopter <input type="checkbox"/> Glider</p>	
<p>Primary Use of Aircraft (check one) <input type="checkbox"/> Personal <input type="checkbox"/> Business <input type="checkbox"/> Fixed Base Operator (FBO) <input type="checkbox"/> Medical Helicopter <input type="checkbox"/> Scheduled Airline</p>	
<p>Fuel Type (check one) <input type="checkbox"/> Avgas <input type="checkbox"/> Jet <input type="checkbox"/> Mogas (Auto) <input type="checkbox"/> No Fuel</p>	
<p>Date of purchase: _____ or</p> <p>Date brought into Iowa: _____ or</p> <p>Date aircraft became airworthy: _____</p>	<p>Seller's Name: _____</p> <p>Seller's Address: _____</p>
<p>Use Tax: <input type="checkbox"/> Tax Enclosed <input type="checkbox"/> Exempt. *Evidence of use tax exemption must accompany this application.</p>	
<p>I certify under penalty of perjury that the foregoing is true and correct.:</p>	
<p>Date: _____</p>	<p>Signature in Ink: _____</p>
<p>Back Fees: _____</p> <p>*Penalty: _____</p> <p>*Registration Fee: _____</p> <p>*Use Tax: _____</p> <p>TOTAL DUE: _____</p>	

***PLEASE SEE PAGE TWO FOR APPLICATION INSTRUCTIONS**

Page 1 of 2

Report on a Review of the
Iowa Department of Transportation,
Office of Aviation

Copy of Aircraft Registration Form

Aircraft Registration Application Instructions:

Complete information on aircraft registration requirements in Iowa is available at www.iowadot.gov/aviation (Aircraft Registration).

When an aircraft other than a new aircraft is registered in Iowa, the registration fee shall be based upon the number of years the aircraft was previously registered. The model year of the aircraft shall be used to determine the number of times the aircraft was previously registered, and a reduction of the registration fee shall be computed accordingly.

- 1) Please complete the application in full.
- 2) The fees are determined by the aircraft's use:
 - a) Aircraft used for business, the following schedule applies:
 - Manufacturers list price x .1% = 1st years fee
 - Manufacturers list price x .75% = 2nd years fee
 - Manufacturers list price x .50% = 3rd years fee
 - Manufacturers list price x .25% = 4th year and older.
 - b) Aircraft less than 30 years old and used for personal use only, the following schedule applies:
(rounded to the nearest whole dollar with a minimum registration fee of \$35).
An aircraft shall not be registered for a fee of less than thirty-five dollars or more than five thousand dollars.
 - c) Aircraft which is 30 years old or older and is for personal use only - \$35.
 - d) A helicopter used exclusively as an air ambulance service - \$1,000.
 - e) Fixed base operator providing general public service under agreement with the governing body of a publically-owned, public-use airport - \$100.
 - f) Scheduled airline used for interstate operation - \$100.
- 3) For an aircraft which has been assembled (home built) and no established manufacturer's list price exists, the cost of the aircraft kit and any additional parts or components shall be totaled and used as the manufacturer's list price in determining the registration fee. Use tax is due on the aircraft kit and additional parts or components if sales tax was not paid at the time of purchase.
- 4) Unairworthy aircraft are required to be registered but are exempt from the annual registration fee until the aircraft becomes airworthy.

Transfer of Ownership within Iowa:

A purchaser of an aircraft shall provide the notice of Transfer of Ownership and the Aircraft Registration Application fully completed to the department within 30 days of purchase date. If current, registration fees shall transfer to the purchaser of the aircraft. The Notice of Transfer of Ownership must be submitted within 30 days from the date of purchase to avoid a \$5 transfer penalty. (See use tax below.) Any delinquent registration fees and penalties must be paid at the time of transfer.

Penalty:

A monthly penalty of 5% of the registration fees will begin to accrue on the first day of the month following 30 days from the date of purchase or date the aircraft was brought into Iowa.

Use Tax:

A 6% use tax on the purchase price of an aircraft must be paid when the aircraft is registered. Payment should be sent with the Application for Aircraft Registration, along with a copy of a bill of sale, and fees for annual registration. Purchase price is the total consideration including cash, credit, property and services for which an aircraft is sold. Applications claiming use tax exemption must include evidence of exemption. Questions regarding use tax exemption should be directed to the Iowa Department of Revenue at 515-281-3114.

**PLEASE RETURN COMPLETED APPLICATION ALONG WITH A CHECK PAYABLE TO
THE IOWA DEPARTMENT OF TRANSPORTATION AT THE ADDRESS ON THE FRONT OF THE APPLICATION.**

Report on a Review of the
Iowa Department of Transportation,
Office of Aviation

Copy of Certified Letter Sent as Final Attempt to Reach Aircraft Owners



Office of Aviation
800 Lincoln Way | Ames, Iowa 50010
Phone: 515-239-1697 | Email: aircraftregistration@dot.iowa.gov

November 17, 2014

Name
Address
City, ST ZIP

RE: N _____

Dear **FULL NAME**:

Records indicate you are the owner of an aircraft that should be registered with the Iowa DOT, and that previous communications with you have been unreturned.

Please complete the enclosed aircraft registration application and return it to the Iowa DOT with the payment of all back fees, penalties, current registration fees, and use taxes. **If the Iowa DOT is not in receipt of the completed aircraft registration application with remittance of appropriate fees by December 19, 2014, further enforcement action will be taken.**

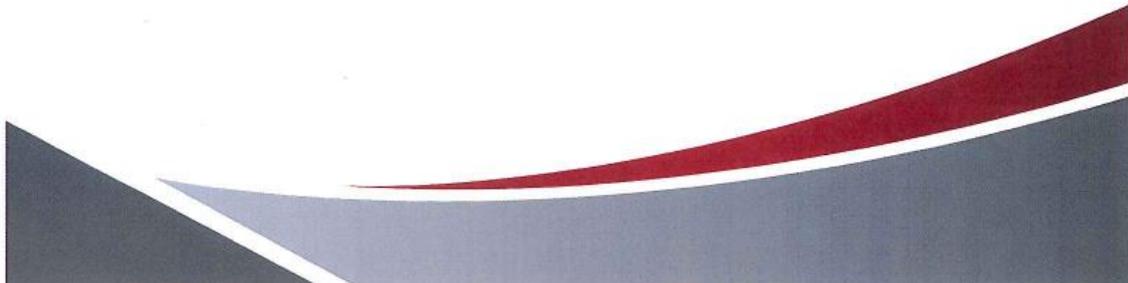
Failure to comply with aircraft registration laws defined in Iowa Code Chapter 328 is a violation of Iowa law. Furthermore, unless an aircraft is specifically exempted from aircraft registration in Iowa, it is illegal for an aircraft to be operated in Iowa unless an appropriate aircraft registration certificate has been issued. **Additional enforcement actions include collections efforts, filing liens against the aircraft with the Federal Aviation Administration (FAA), and citations of misdemeanor or felony charges with the State of Iowa.**

If for any reason you feel the aircraft is exempt from Iowa laws and does not need to be registered with the Iowa DOT, you must return a dated and signed letter outlining specific reasons you believe the aircraft is exempt.

Information on aircraft registration requirements is available at: www.iowadot.gov/aviation/aircraftregistration. If you need assistance completing the aircraft registration application, or have questions, feel free to contact the Iowa DOT Office of Aviation at 515-239-1697.

Thank you for your prompt attention to this matter.

Aircraft Registration
Iowa DOT



Report on a Review of the
Iowa Department of Transportation,
Office of Aviation

Copy of Postcard Sent to Aircraft Owners as Follow-up


Aircraft Registration
800 Lincoln Way
Ames, IA 50010

Dear Aircraft Owner:

You should have received a letter in _____ regarding the need to register your aircraft with the Iowa DOT. Please submit an aircraft registration application or a signed and dated letter indicating why you believe your aircraft does not need to be registered with the State of Iowa by _____.

If you have recently sent the aircraft registration application or letter, please disregard this reminder.

If you have any questions, please contact:

Iowa DOT
Aircraft Registration
800 Lincoln Way
Ames, IA 50010
(515) 239-1697

Report on a Review of the
Iowa Department of Transportation,
Office of Aviation

Copy of Letter Sent to Aircraft Owners Regarding Registration



Office of Aviation
800 Lincoln Way | Ames, Iowa 50010
Phone: 515-239-1697 | Email: aircraftregistration@dot.iowa.gov

January 7, 2015
(Date)

«Mailing_Name»
«Mailing_Street»
«City», «State» «Zip»

RE: N«NNbr»

Dear «Mailing_Name»:

Records indicate you are the owner of an aircraft that should be registered with the Iowa DOT, and that previous communications with you have been unreturned, the most recent being dated November 17, 2014.

Penalties and back fees continue to accrue toward the aircraft registration fees, use tax. Beginning in January, the Iowa DOT will move forward with **enforcement actions including collection efforts, filing liens against the aircraft with the Federal Aviation Administration (FAA), and citations of unlawful operations of an aircraft, (Iowa Code 328) which could include misdemeanor or felony charges with the State of Iowa.**

Please complete the enclosed aircraft registration application and return it to the Iowa DOT with the payment of all back fees, penalties, current registration fees, and use taxes. **If the Iowa DOT is not in receipt of the completed aircraft registration application with remittance of appropriate fees by January 30, 2015, the above enforcement actions will be initiated.**

If for any reason you feel the aircraft is exempt from Iowa laws and does not need to be registered with the Iowa DOT, it is imperative that you return a dated and signed letter outlining specific reasons you believe the aircraft is exempt to prevent enforcement actions.

Information on aircraft registration requirements is available at: www.iowadot.gov/aviation/aircraftregistration. If you need assistance completing the aircraft registration application, or have questions, you may contact the Iowa DOT Office of Aviation at 515-239-1697.

Aircraft Registration
Iowa DOT

