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Tax Reform Update: Senate & House have passed final tax reform bill and this is how it affects you!

1. 100% Bonus Depreciation applicable to new and used aircraft
  - a. Effective retro-actively to post September 27th, 2017 acquisitions
  - b. Aircraft has to close and be placed in service by December 31, 2017 to take depreciation against 2017 income.
  - c. Placed in service means the plane is ready and available to fly in its intended state. A plane in maintenance or not airworthy is not considered to be placed in service.
  - d. 100% bonus depreciation is effective until 2022. Phase-out begins in 2023.
  
2. Section 179 Expensing
  - a. Maximum expensing increased to \$1 Million
  - b. Phase-out threshold for deduction increased to \$2.5 Million
  - c. Effective date is January 1, 2018, applicable to new or used aircraft
  - d. 2017 Section 179 Expensing is \$500,000
  
3. 1031 Exchange has been eliminated for aircraft effective January 1, 2018

In a later update, we will provide further explanation on other tax provisions that may affect your business aircraft operations and available deductions.

If you are in the market for a 2017 acquisition, please contact us immediately as there is still time to set up an effective ownership structure to maximize your income tax savings, while complying with federal, state and FAA regulations.

If you have any questions, please contact us.

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*Aviation Tax Consultants (ATC) assists aircraft purchasers in acquiring aircraft in a tax efficient manner. Services include the elimination or reduction of sales and use tax at the time of purchase, maximizing income tax savings, controlling the cost of personal use of an aircraft, and complying with Federal Aviation Regulations. Cooperation with client's current tax and legal advisors is welcomed and encouraged.*