



Upcoming Events

- May 17th & 18th
U.S Aircraft Expo-Salt Lake City, UT (KSLC)
- May 31st & June 1st
U.S. Aircraft Expo-White Plains, NY (KHPN)

About ATC

With over 16 years of industry experience & knowledge, ATC serves our clients with experience and proven tax solutions to aircraft ownership.

Our Services

ATC provides a wide range of tax consulting services specifically designed for aircraft owners & operators. Aircraft ownership has incredible tax benefits, and we strive to provide strategic consulting to our clients during aircraft ownership.

Tax Code Creates Benefits & “Window of Opportunity” for Aircraft Owners

Another tax season is here and gone. Many business owners and other taxpayers are feeling the impact of the Tax Cut & Jobs Act (TCJA) changes. The thriving economy, accompanied with the numerous changes brought about by the TCJA have directly impacted many of these taxpayers as well as business aircraft owners.

So much so that arguably the two most influential publications, the Wall Street Journal and NY Times, have taken notice.

A recent article in the NY Times highlighted the tax benefits of owning a business aircraft and the changes to the tax code that are fueling the growth of the general aviation industry.

The WSJ also emphasized some of the “sticker shock” that many business owners and taxpayers had this tax season when it came to paying Uncle Sam. The article added that with the state of the economy and TCJA changes it could have an even larger impact at the end of 2019.

The U.S. economy has seen steady growth and prosperity through the first quarter of 2019. This trend will hopefully hold true through the end of the year, and even into 2020. Many business owners have benefited from this positive trend with increased profits and growth. Due to this success, many business owners are potentially poised for a large tax liability at year-end.

The changes to the tax code create a window of opportunity for taxpayers to capture a significant tax benefit with the purchase of a business aircraft before the end of the year.

A significant change brought about by the TCJA is the deduction known as “100% bonus depreciation”. This allows the taxpayer to deduct the entire cost of the purchase of a business aircraft, dollar for dollar. The deduction also now applies to new or used aircraft. Each year the taxpayer’s allowable deductions are based upon business versus personal use, further outlined by the *IRS Occupied Seat Rule*. *If 100% bonus depreciation is expected it is critical to manage personal use in the first year of ownership.*

There are several requirements that that you must comply with to avoid issues with the IRS when taking this deduction. If the transactions are not handled properly the tax consequences could be substantial for the taxpayer. However, if vigilant planning is considered and executed the tax benefits may be significant.

For those companies that can utilize general aviation aircraft to grow and improve efficiencies, there is no better time to acquire a business aircraft, which could produce immediate and sizable income tax savings.