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Significant Tax Savings Available with the Improvement of a Business Aircraft

Write off 100% of a Hawker 850XP Paint and Interior Upgrade in 2020



As a result of the the Tax Cuts and Jobs Act, improving a new business aircraft in 2020 can generate tremendous income tax savings.

Income tax planning opportunities include: personal use of a business aircraft, related party leasing rules for listed property, passive activity loss, hobby loss rules and the special documentation requirement to support the business use of the aircraft. Sales and use tax planning opportunities vary depending on the state that serves as the home base of the aircraft. The inter-relation and operation of

the Internal Revenue Code, state sales and use tax rules and the Federal Aviation Regulations create unique planning opportunities for business aircraft owners.

The accompanying table illustrates the amount of tax depreciation and potential income tax savings generated from the paint and interior upgrade of a Hawker 850XP, based on 100% business use, FAA Part 91 operator:

Tax Year	2020
Percentage of Purchase Price Depreciated	100%
Potential Tax Deductions from Depreciation	\$425,000
Potential Income Tax Savings from Depreciation *	\$170,000

* Based on 40% combined marginal federal and state income tax rates.

To find out more, please visit our website, www.aviationtaxconsultants.com or call us at **1-812-342-9589**.

Aviation Tax Consultants (ATC) assists aircraft purchasers in acquiring aircraft in a tax efficient manner. Our services include the elimination or reduction of sales tax at the time of purchase, maximizing income tax savings, controlling the cost of personal use of the aircraft, complying with passive activity loss, hobby loss and related party leasing rules and Federal Aviation Regulations. Cooperation with client's current tax and legal advisors is welcome and encouraged.

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