



Q2 2024 **NEWSLETTER**

IRS Audit Initiative & Tax Relief Act



IRS Audits

The IRS has announced an initiative to increase audits of large businesses and high-income taxpayers, with an emphasis on business aircraft operators. The message to taxpayers is clear and the advice from ATC remains consistent and more relevant than ever before.

Business owners must structure their aircraft ownership in a tax favorable manner. The structure should not draw unwanted attention for IRS audit. The importance of record keeping cannot be overstated – a detailed tax flight log should be maintained to substantiate and support the business trips. Handling of personal trips is of utmost importance as it will be the primary focus for IRS auditors.

Update on 100% Bonus Depreciation

The Tax Relief for American Families and Workers Act of 2024 passed the House of Representatives with bipartisan support in January. This bill reinstates 100% bonus depreciation retroactively for qualifying 2023 aircraft acquisitions and will be in effect through tax year 2025.

However, the bill has languished in the Senate as the two parties cannot come to an agreement of the child tax credit provisions in this legislation. While there is widespread support from the business communities to enact the legislation, the prospect of quick Senate approval is not promising. Taxpayers who have purchased a business aircraft in 2023 may consider extending their 2023 income tax return filings until the fate of the tax bill is known.



Fred McCarter Scholarship Fund

ATC continues to honor our founder, Fred McCarter, who lost his battle with brain cancer in 2022. The Fred McCarter Scholarship Fund was created in coordination with EAA to continue Fred's legacy. It will be awarded for the first time in May 2024 to someone seeking a career in aviation, with a preference to someone going into a non-pilot career.

Application information to the scholarship can be found [here](#).

Donations to the scholarship can be made [here](#).

Save The Date

- **Angel Flight West Endeavor Awards**
 - **Los Angeles, CA on May 10th**
- **POPA Convention**
 - **Colorado Springs on June 5th-7th**
- **US Aircraft Expo**
 - **Portland, OR on June 21-22nd**
- **EAA Airventure**
 - **Oshkosh, WI on July 22-28th**
- **CJP Convention**
 - **Colorado Springs, CO on September 4th-7th**



Aviation Tax Consultants provides aircraft ownership services and consulting that maximizes the tax benefits available to aircraft owners while maintaining full FAA and IRS compliance.