



Advocate Consulting
Legal Group, PLLC

LEGAL AND TAX CONSULTANTS TO THE AVIATION INDUSTRY

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SPECIAL TAX BENEFITS AVAILABLE FOR AIRCRAFT PURCHASES

TO MAXIMIZE DEDUCTIONS THE TAXPAYER MUST PLACE AIRCRAFT IN SERVICE IN 2017

Current tax law provides for both bonus depreciation and a generous expensing election available to new aircraft purchasers. Fifty percent (50%) bonus depreciation is available for new business aircraft, including fractional interests. The expensing election of \$500,000 applies to new or used aircraft placed in service by “qualifying small business” taxpayers. A qualifying small business is one that invests less than \$2,000,000 in total qualifying equipment purchases during the year. The 50% bonus depreciation generally applies only to 2017, and is scheduled to be phased down 40% in 2018. Here is how the provisions could impact a 2017 purchase of a new Cirrus SR22 Turbo.

INCOME TAX DEPRECIATION DEDUCTION FOR A \$862,900 AIRCRAFT

Cirrus SR22 Turbo	2017 Delivery
Cost	\$862,900
Expensing Election	\$500,000
Bonus Depreciation	\$181,450
Regular Depreciation	\$36,290 ¹
Total 1 st Year Deductions	\$717,740
Percent of Price	83%

Claiming maximum depreciation requires a US-based, non-commercial aircraft with full qualified business use. Aircraft ownership structuring is impacted a wide variety of rules, including IRS, FAA, and state-law. Always consult a qualified advisor.

Jonathan Levy, Esq.
Legal Advisor

Advocate Consulting Legal Group, PLLC is a law firm whose practice is limited to serving the needs of aircraft owners and operators relating to issues of income tax, sales tax, federal aviation regulations, and other related organizational and operational issues.

¹ Only \$9,072 available for aircraft placed in service after September 30, 2017.

