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BONUS DEPRECIATION RETURNS

- * Write off 75% of the Prop Jet Bonanza Installation in 2008
- * Over \$190,000 income tax savings

The House of Representatives and the Senate passed the final version of the economic stimulus package on February 7, 2008. Two key provisions in the package that will benefit the general aviation industry are the return of 50% bonus depreciation and the increase of Section 179 Expensing. President Bush signed the economic stimulus package into law on February 13, 2008.

Prop Jet Bonanza Example



If you have been considering the added safety benefits and performance of upgrading to a Prop Jet Bonanza, the added tax benefits offered by the economic stimulus package may be the reason to get the upgrade done in 2008.

By fully integrating your aircraft into your trade or business, you can generate tax savings by substantially deducting all the operating expenses of the aircraft, including capital expenditures like the Prop Jet conversion. The accompanying table illustrates the approximate amount of potential tax depreciation generated from the Prop Jet installation, based on 100% business use:

Purchase Price - \$659,000

Tax Year	2008	2009	2010	2011	2012	2013
Percentage of Purchase Price Depreciated	75%	85%	91%	95%	98%	100%
Potential Tax Deductions from depreciation	\$495,400	\$65,440	\$39,264	\$23,558	\$23,558	\$11,779
Potential Income Tax Savings from depreciation *	\$198,160	\$26,176	\$15,706	\$9,423	\$9,423	\$4,712

- * Potential tax depreciation includes 50% Bonus Depreciation and Section 179 Expensing in 2008
- * Potential income tax savings computed based on 40% combined federal and state marginal income tax rates.

In some cases, you may not be able to take full advantage of the deductions discussed above. Proper planning begins with the help of aviation tax specialists. Failure to document and support the proper business and personal use or failure to file the proper tax election with the taxing authorities can jeopardize these deductions. Finally, it is imperative that you operate your aircraft in full compliance with the Federal Aviation Regulations. To find out more, please visit our website, www.aviationtaxconsultants.com or call us at 1-800-342-9589.

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, avoiding passive activity loss rules and complying with Federal Aviation Regulations. Cooperation with client's current tax and legal advisors is welcome and encouraged.

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