



9224 W. Raintree Dr. • Columbus, IN 47201 • 800-342-9589 • Fax 812-341-9001

BONUS DEPRECIATION RETURNS

** Write off 60% of a new aircraft purchase in 2009*

President Obama signed into law the American Recovery and Reinvestment Tax Act of 2009 on February 17, 2009. This legislation brings back bonus depreciation and an increase to Section 179 Expensing for qualified business aircraft purchases.



A TBM 850 Example

By fully integrating your aircraft into your trade or business, you can also generate tax savings by substantially deducting all the operating expenses of the aircraft. Sales and use tax savings can amount to an additional four to nine percent of the aircraft purchase price. Sales and use tax savings opportunities vary depending on the state that serves as home base of the aircraft. The accompanying table illustrates the approximate amount of potential tax depreciation generated from the purchase of a TBM 850, based on 100% business use:

Purchase Price - \$3,100,000

Tax Year	2009	2010	2011	2012	2013	2014
Percentage of Purchase Price Depreciated	60%	76%	86%	91%	97%	100%
Potential Tax Deductions from depreciation	\$1,860,000	\$496,000	\$297,600	\$178,560	\$178,560	\$89,280
Potential Income Tax Savings from depreciation *	\$744,000	\$198,400	\$119,040	\$71,424	\$71,424	\$35,712
Potential Sales Tax Savings (6%)	\$186,000					

- * Potential tax depreciation includes Bonus Depreciation in 2009
- * Potential income tax savings computed based on 40% combined federal and state marginal income tax rates.

Improper planning for personal use of a business aircraft can lead to substantial missed opportunities for savings or deductions; therefore it is extremely important to understand the impact of personal use on a business aircraft. Federal Aviation Regulations and Internal Revenue Code compliance cannot be overemphasized.

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.

Fred McCarter, Managing Member
fmccarter@aviationtaxconsultants.com

Daniel Cheung, CPA, Member
daniel@aviationtaxconsultants.com

Updated: February 2009

Disclosure Under IRS Circular 230: To ensure compliance with requirements recently imposed by the IRS, we inform you that any tax advice contained in this communication, including any attachments, was not intended or written to be used, and cannot be used, for the purpose of avoiding federal tax related penalties or promoting, marketing or recommending to another party any tax related matters addressed herein.