

Top News

HOT! Economic Stimulus Bill Includes Return Of Bonus Tax Depreciation

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Write Off At Least 60 Percent Of A New Aircraft Purchase!

Regardless of how you feel about the nearly \$800 billion economic stimulus bill signed into law this week, there's at least some good news to report if you're planning to buy a new aircraft in 2009. And if you were on the fence about an aircraft purchase before, this news should go a long way towards convincing you to sign on the dotted line.



Aviation Tax Consultants tells ANN the American Recovery and Reinvestment Act of 2009, signed by President Obama in Denver Tuesday, includes the return of bonus depreciation on new aircraft purchases, as well as an increase to Section 179 Expensing for qualified business aircraft purchases.

"Effective for aircraft purchases placed in service on or after January 1, 2009, 50% bonus depreciation will be available in 2009," the group tells ANN. "Bonus depreciation applies only to new, factory manufactured business aircraft. Certain demonstration aircraft not previously titled may also qualify. Improvements such as an avionics upgrade made to a used aircraft will also qualify for 50% bonus depreciation."

On new aircraft, those deductions can amount to as much as \$314,800 against the \$358,000 purchase price of a new Diamond DA40 XLS; over \$418,000 against the \$530,100 pricetag of a new Cirrus SR22 GTS; and \$2.5 million against the \$4,200,000 price of a Pilatus PC-12 NG turboprop.

Section 179 Expensing allows a small business taxpayer to deduct up to \$250,000 of a business aircraft purchase -- new or used -- or capital improvements in the year of acquisition in lieu of recovering these costs over time through depreciation.



This incentive is subject to a phase-out once capital expenditures exceed \$800,000... but the taxable income limitation is applied both at the corporate and individual level, in order to take advantage of this expensing provision.

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