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## BONUS DEPRECIATION RETURNS

- \* Write off at least 60% of a new aircraft purchase in 2009
- \* Increased Section 179 Expensing benefits new and used aircraft purchase

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.

### New Aircraft

Effective for aircraft purchases placed in service on or after January 1, 2009, 50% bonus depreciation will be available in 2009. 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.

Below is a sample of the tax depreciation deduction available on the purchase of a new business aircraft:

MODEL	COST	% DEDUCTIBLE	2009 DEPRECIATION
Diamond DA40 XLS	\$358,000	88%	\$314,800
Cirrus SR22 GTS	\$530,100	79%	\$418,060
Cessna 400 Corvalis TT	\$620,000	76%	\$472,000
Piper Matrix	\$785,000	73%	\$571,000
Beech C90GT	\$3,100,000	60%	\$1,860,000
Socata TBM 850	\$3,100,000	60%	\$1,860,000
Pilatus PC-12NG	\$4,200,000	60%	\$2,520,000

### New or Used Aircraft

Section 179 Expensing allows a small business taxpayer to deduct up to \$250,000 of a business aircraft purchase 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. Taxable income limitation is applied both at the corporate and individual level in order to take advantage of this expensing provision.

*Aviation Tax Consultants (ATC) assists aircraft purchasers in acquiring aircraft in a tax efficient manner. Services include the elimination or reduction of sales and use tax at the time of purchase, maximizing income tax savings, controlling the cost of personal use of a business aircraft, and complying with Federal Aviation Regulations. Cooperation with client's current tax and legal advisors is welcome and encouraged.*

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