



## SHOULD YOU CONSIDER A NEW AIRCRAFT PURCHASE?

The new bonus depreciation and enhanced expensing election provisions offer opportunities for both new and used aircraft purchases. **Here is how the provisions are impacted on the 2008 purchase of a Cessna C400**

	NEW		USED	
	2008	2009	2008	2009
Cost	\$620,000	\$620,000	\$620,000	\$620,000
Expensing Election	\$250,000	\$18,000	\$250,000	\$18,000
Bonus Depreciation	\$185,000	\$301,000	\$-0-	\$-0-
Regular Depreciation	\$37,000	\$60,200	\$74,000	\$120,400
Total 1 <sup>st</sup> year deductions	\$472,000	\$379,200	\$324,000	\$138,400
Percent deductible	76%	61%	52%	22%

You must take possession of your aircraft in 2008 to qualify for all of the expanded deductions. Bonus depreciation may be available for certain new aircraft purchased in 2008 delivered in 2009, expanded expensing deductions will not apply. Bonus depreciation is available only to new aircraft used primarily for business. The expensing election applies to both new and used aircraft, but is limited to the taxable income of taxpayers that invest less than \$1,050,000 in equipment purchases in 2008. Aircraft ownership structuring is also impacted by unique FAA rules, sales tax issues, and liability concerns which must be blended with these new tax issues. For further details see “Qualifying for Bonus Depreciation on Aircraft”, “Qualifying for the Expanded \$250,000 Expensing Election” and the “Aircraft Depreciation Calculator” at [www.advocatetax.com](http://www.advocatetax.com).

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