

Congress of the United States
House of Representatives
Washington, DC 20515-1604

February 5, 2013

Get the Facts about General Aviation:
There is no “Corporate Jet Tax Loophole”

Dear Colleague:

Over the past 5 years, President Obama has argued for eliminating the “corporate jet tax loophole.” As a strong supporter of creating a fairer, flatter tax code, I went looking for this so-called loophole. Fact is, though, there is no such thing. The “corporate jet tax loophole” is simply a political sound bite.

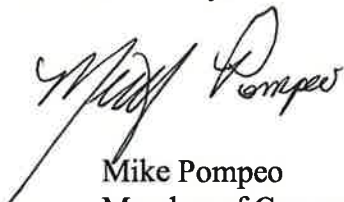
What the opponents of general aviation (GA) want to do—the so-called loophole they want to eliminate—is to change the depreciation schedule for all non-commercial aircraft (including crop dusters and single engine pistons, not just jets) from 5 years to 7 years. But the depreciation schedule for GA has been fixed at 5 years for a quarter century under the general depreciation rules established in the tax reform act of 1986 and under pre-existing asset class lives established by the IRS. ***No special provision exists in the depreciation schedule for GA aircraft.***

Numerous other types of assets have a 5-year depreciation schedule; some even have a 3 year schedule. Critics contend that the 5-year depreciation schedule for GA aircraft must be a loophole since the depreciation schedule for commercial aircraft is 7-years. However, the depreciation rules include many such distinctions among related types of assets. At the core, however, it would make little sense for an American Airlines’ Boeing 747 to have the same depreciation schedule as a farmer’s Air Tractor.

Eliminating special carve-outs and tax loopholes is a vitally important goal, but it is wrong to target the depreciation period for GA aircraft to advance a narrow political goal of class warfare. Singling out the depreciation schedule for GA will harm the 1.2 million hard-working men and women who make a living building and servicing these aircraft. If Congress wants to reconsider current depreciation rules, the way to do so would be to reexamine the rules across the board and not single out particular industries that are politically convenient punching bags for the President.

I hope you take the time to **get the facts about general aviation** and understand the value it brings to our economy. For more information please contact Jim Richardson of my staff at jim.richardson@mail.house.gov or x5-6216.

Sincerely,



Mike Pompeo
Member of Congress