



DON'T JUST LIST YOUR AIRCRAFT,
SELL YOUR AIRCRAFT

STEEL | SELLS

WHY STEEL?

WE ARE IN THIS TOGETHER. WE ARE HERE FOR YOU WHATEVER IT TAKES - LET'S ROLL!

EXPERIENCE

We have been selling aircraft for almost 20 years. We have been through difficult markets before and we thrived. We are **FOCUSED** on what it takes to get a **DEAL DONE** and these days it is **MORE** than just selling aircraft. **BUYERS DEMAND MORE.** Steel has the experience you need to get the job done!

AIRCRAFT VALUE

We also, more than any other shop or broker, have the ability to add so much value to your aircraft for both you and your buyer with our services: Services that Steel will leverage to give your aircraft an **EDGE.** Steel can place **EXTENDED SERVICE AGREEMENTS** on qualifying aircraft. This will allow us to offer warranty-like coverage on your airplane!



Our refurbishment shop is one of the best in the business. We often do **MINOR TOUCH-UPS** that will add **MAJOR VALUE** to your aircraft. Special discounted rates for our MX shop will also be passed along to any Steel customer - a win for both Buyer and Seller! Avionics Upgrades? No problem we have you covered!

STEEL IS INVESTED IN YOU

Steel is also aware and will leverage special tax incentives for buyers under the national CARES ACT. Our in-house Finance Team has the **BEST RATES** in the business your buyer will receive top-shelf service and the best rates in the business. Steel has its own CARES ACT, because we are **IN THIS TOGETHER.** Under this act, **STEEL WILL CARRY THE COST** of any listed upgrades with Steel until the aircraft sells. We will put our money where our mouth is. **WE ARE INVESTED IN YOU!**

So if your aircraft needs something and you find yourself in a holding pattern, you are **NOW CLEARED FOR TAKE-OFF** with Steel!

* TERMS AND CONDITIONS APPLY *

REAL VALUE. REAL SERVICE. REAL EXPERIENCE.



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CARES Act Net Operating Loss provisions can benefit business aircraft acquisition in 2020

The recently enacted Coronavirus Aid, Relief, and Economic Security Act (the CARES Act or 'the Act') reinstates the ability for taxpayers to deduct current year tax losses against income from a prior tax year and receive immediate tax refund.

The concept of a net operating loss carryback (NOLCB) is intriguing. Normally, when one's income tax payment is remitted, it is remitted. However, NOLCB actually allows tax payments from up to five years ago to be refunded, due to a loss incurred in the current year. This may have implication for companies who are looking to purchase a business aircraft in 2020.

Here is a simple illustration. Your company (C corporation) has net income of \$1,000,000 in 2020. You are considering the purchase of a \$5,000,000 business aircraft to help manage and grow your business. Assuming 100% business use of the aircraft for 2020, you will be allowed a \$5,000,000 depreciation deduction on the aircraft. The resulting tax loss is \$(4,000,000). The Act allows this loss to be carried back to tax year 2015 and applied against your 2015 taxable income. This will result in a reduction of \$(4,000,000) in 2015 taxable income, which is a tax refund of \$1,400,000 at the federal corporate tax rate of 35%. If the loss is not fully absorbed by 2015 income, the remaining loss can be carried to 2016, 2017 tax years, etc, until fully absorbed by prior year taxable income.

2020 business income		\$1,000,000
Acquisition of a business aircraft	\$5,000,000	
100% Bonus Depreciation		\$(5,000,000)
2020 Taxable Income		\$(4,000,000)
CARES Act Net Operating Loss carryback:		
2015 taxable income		\$10,000,000
NOLCB from 2020		\$(4,000,000)
Revised 2015 taxable income		\$6,000,000
Corporate tax rate in effect	35%	
Tax refund due		\$1,400,000

The same regulations apply to S corporation or LLC pass-through entities. The difference is that the net operating loss will be reported on the shareholder's or LLC member's individual income tax return (Form 1040).



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Due to the Coronavirus pandemic and the lockdown of the economy, many companies will experience a significant decline in income in 2020. With the acquisition of a business aircraft and 100% bonus depreciation, a taxpayer can receive income tax refunds from as far back as 2015. While it may be a daunting task to make a significant capital acquisition in the current economic environment, for those companies that are able to weather the storm and position your business for a robust rebound, this tax provision should be carefully evaluated with your tax advisors.

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Daniel Cheung, CPA is a principal of Aviation Tax Consultants, LLC (ATC), with offices in Columbus, Indiana and Scottsdale, Arizona. Since its founding in 2003, ATC has been assisting taxpayers in acquiring business aircraft in a tax efficient manner, while complying with Federal Aviation Regulations and working closely with client's tax and legal advisors. ATC's consulting services include the elimination or reduction of sales and use tax at the time of acquisition, maximization of income tax savings, managing the cost of personal use, the compliance with passive activity loss, hobby loss and other IRS regulations.