

LEGAL UPDATES

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## Industry

Transportation

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# One Big Beautiful Bill Act Restores Full Bonus Depreciation for Qualifying Aircraft

On July 4, 2025, President Donald Trump signed the One Big Beautiful Bill Act (OBBBA) into law. That legislation contained a wide variety of provisions as part of the administration's tax reform agenda. One significant component of the OBBBA for the aviation industry is the restoration of the 100% bonus depreciation for qualifying aircraft initially allowed under the Tax Cuts and Jobs Act (TCJA), passed in 2017 during President Trump's first term. Prior to the passage of the OBBBA, the bonus depreciation allowances under the TCJA were to be phased out to 60% in 2024, 40% in 2025, 20% in 2026, and 0% in 2027 and beyond. The 100% bonus depreciation allowance is now permanent, with no scheduled phaseout.

A taxpayer meeting the business use qualifications and other requirements outlined in the Internal Revenue Code may, in the year the aircraft is placed in service, deduct 100% of the acquisition costs of a new or pre-owned aircraft placed in service on or after January 20, 2025. As a result of these changes, individuals and companies in the business aviation industry may continue to employ bonus depreciation as a tool to manage their cash flow and balance sheet by reducing tax liability through aircraft transactions.

Husch Blackwell will continue to monitor developments as the Internal Revenue Service is expected to issue guidance on implementation and compliance in the coming months.

## Contact us

If you or your company have any questions regarding how the passage of the One Big Beautiful Bill Act and the restoration of 100% bonus depreciation may impact your business or aviation transaction, we encourage you to reach out

to David Agee, Michael Cosby, Chris Sundberg, Lana Yaghi, or Ethan Schroeder for the latest developments.