

MAGELLAN JETS

ELEVATE EXPECTATIONS

CARES ACT



— CARES Act Tax Holiday: Tax Exemption on Private Travel in 2021 and Beyond

In response to the coronavirus pandemic, Congress passed the Coronavirus Aid, Relief, and Economic Security Act, or CARES Act. While the \$2 trillion relief package addressing the COVID-19 threat is an expansive piece of legislation to help the U.S., it has several provisions that specifically pertain to private jet travel. Here's what you need to know about the CARES Act and what it means for private aviation.

— What is it?

The CARES Act provides relief to businesses and private jet travelers for all purchases made in 2020. In particular, the legislation **suspends the 7.5% federal excise tax (FET) on air transportation.**

— Does it provide additional relief?

Roughly \$100 million in these funds are reserved specifically for general aviation airports.

— Does your 2020 private travel qualify for the 7.5% FET exemption?

Effective March 27, 2020, the tax holiday will be in place through Dec. 31, 2020. That means, for all domestic US private jet travel flights purchased and paid for through December 31st the 7.5% FET is waived.

— Do flights beyond 2020 qualify for the tax exemption?

Yes. For those that pre-purchase for air transportation services during the tax holiday will be exempt from the 7.5% tax for the entirety of that purchase.

— Does the tax holiday apply to on-demand charter, memberships and jet cards?

Yes. Individuals and organizations can qualify for all three ways of using private air travel. Magellan Jets will consult and help plan these purchases in 2020 so that your travel in 2021 and beyond

To discuss planning your tax exemption strategy during this unprecedented relief to help the US economy get back to business, call **877-550-5387**.

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