

**FLIGHT TAX SYSTEMS**  
**Users Guide to Features and Reporting**

February 11, 2016

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Jed Wolcott, CPA, MBA  
President



Sue Folkring, CPA, MTax  
Commercial Pilot, A2/MEL, ATP, Airplane

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## Housekeeping Issues



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### Today's Webinar:

- Webinar will be approximately 60 minutes in length
- Course materials have been emailed to you, however in case you do not have them:  
[www.aviation-cpa.com](http://www.aviation-cpa.com)  
**Resource Library ID = 50111**
- Please call our office if you need assistance  
**(866) 791-6092**



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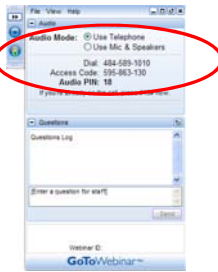
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**415-930-5321**  
Access code  
**582-669-038**



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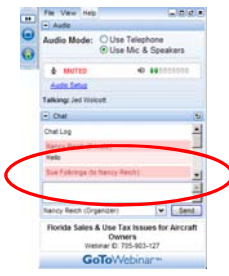
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**Please Ask Questions During the Webinar:**



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- You must be present for the entire program for CLE, CPE or an Attendance Certificate.
- Polls will be provided during the program to confirm attendance. Complete all polls for attendance credit.

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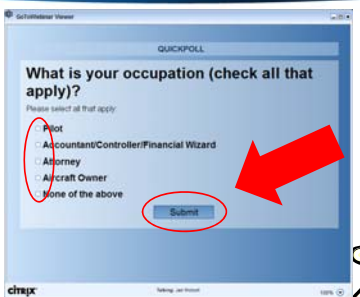
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**Reminders:**



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### Wolcott & Associates, P.A. - What We Do

- We are an aviation-dedicated firm of CPAs and accounting professionals
- Our clients are aircraft owners, operators, and accounting firms that have aircraft owner-clients
- We specialize in the preparation of aircraft income tax returns, state tax matters, IRS audits, structuring aircraft ownership, and related aviation tax and financial matters.
- *We identify, protect and preserve tax deductions for your aircraft and those of your clients!*

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### Flight Tax Systems®

- Flight Tax Systems® (“FTS”) is a proprietary aviation tax software for tracking and reporting the use of aircraft used in business
- FTS was developed by Wolcott & Associates (W&A), and W&A provides training and customer support
- FTS is internet-based, is fully annotated with links to IRS and state tax codes and regulations, and offers many high-end customer reports
- See more of FTS at [www.flighttaxsystems.com](http://www.flighttaxsystems.com)

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### Today's Webinar Topics (Introductory)

- Account setup and system options
- Modules
- Setup aircraft
- Employees and guest options
- Overview of IRS reporting rules and regulations
  - Primary purpose reporting
  - SIFL/cost disallowance
- Entering flights
- Printing reports

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### Advanced Topics – Feb 25, 2016

- Deadhead flights
- International SIFL flights
- Open Jaw flights
- Depreciation
- Cost center reporting
- Passive activity reporting
- Security and Exchange Commission (SEC) reporting
- Electronic data input
- Special reports and modifications

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### Flight Tax Systems®

Flight Tax Systems, LLC  
A DIVISION OF WOLCOTT & ASSOCIATES, P.A.  
CHICAGO PUBLIC ACCOUNTANTS

866-791-6002 | info@flighttaxsystems.com

WELCOME ACCOUNT OWNER AIRCRAFT EMPLOYEES GUESTS FLIGHTS REPORTS SNAPSHOT SYSTEM ADMIN LOGOUT

Welcome back, Denis!

**Notice of Upcoming Filing Deadlines**

March 15, 2016 - Corporate Federal Tax Return Filing Deadline

April 15, 2016 - Personal Tax Return Deadline

April 15, 2016 - 1st Quarter Estimated Tax Payments Due for 2016

May 2, 2016 - 1st Quarter Deadline for Federal Excise Tax Returns.

(1/20/2016)

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### Flight Tax Systems®

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WELCOME ACCOUNT OWNER AIRCRAFT EMPLOYEES GUESTS FLIGHTS REPORTS SNAPSHOT SYSTEM ADMIN LOGOUT

**Account Overview**

**Owner Information**

Owner Name:	Denis Client	Calculation Type:	SIFL / Cost Disallowance
Entity Type:	C-Corporation	SIFL Options:	Year End Calc: Q4 31st
Account Opened:	August 3, 2012	Account Setup Status:	COMPLETE

**Subscription Information**

Product	Start Date	End Date
Flight Tax Systems Enterprise Version	10/01/2012	03/31/2016

**Modules Information** [Add New Module](#)

Module Name	Date Added	
Texas Module	01/22/2016	<a href="#">Remove Module</a>
Cost Center Reporting	10/27/2015	<a href="#">Remove Module</a>

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### Additional Add-On Modules

- All states that levy sales, use, or personal property on aircraft have modules
- Securities and Exchange Commission reporting for public companies
- Cost Center Reporting
- Users activate as needed

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### State Tax Modules

- State tax modules track use in the state where the aircraft is based, such as air miles, takeoffs, or landings
- California module tracks aircraft use for meeting the Interstate Commerce and Common Carrier exemptions under CA 1620 (a) and (b)
- Florida module tracks use in Florida for mileage and the Days-in-Florida sales tax apportionment

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### Flight Tax Systems®

The screenshot shows the 'Account Setup: Owner Details' page in the Flight Tax Systems software. It features several sections: 'Owner Is' with radio button options for Partnership, S-Corporation, C-Corporation, Trust, Single Member LLC, and Multi-Member LLC; 'Shareholder 1 Details' with input fields for Name, Email, and Phone; and 'Flight Input Options' with radio buttons for 'Use the Flight Input Process to determine airports based on previous flights when possible?' and 'Use the Flight Input Process to preset flight and tag numbers based on previous flights when possible?'. Two red arrows point to the 'Owner Is' section and the 'Flight Input Options' section. A red box highlights the second radio button option in the 'Flight Input Options' section.

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### Flight Tax Systems®

**Personal Use Calculation Types**

- SIFL / Cost Disallowance (010)
- Primary Purpose (010)

**SIFL Options**

- Calculate Year End as of October 31st (A)
- Calculate Year End as of December 31st (B)
- Bona Fide Business Security Plan (C)

[Update Info](#)

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### Primary Purpose vs. SIFL/Cost Disallowance

- Primary Purpose rules may be used when the aircraft is owned by an individual and reported on their 1040
  - Includes aircraft owned by a Single-Member LLC when the member is an individual
  - Also applies to aircraft in a partnership, when the partner is an individual
  - Primary Purpose reporting rules mean that the flight is for business if the owner is on the plane for business. Other passengers are ignored

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### Primary Purpose vs. SIFL/Cost Disallowance

- SIFL and Entertainment Cost Disallowance rules are for *Employee* use of company aircraft
  - Generally required when the aircraft is reported on a company tax return
  - Includes aircraft owned by an individual if the individual has employees that use the aircraft for non-business purposes

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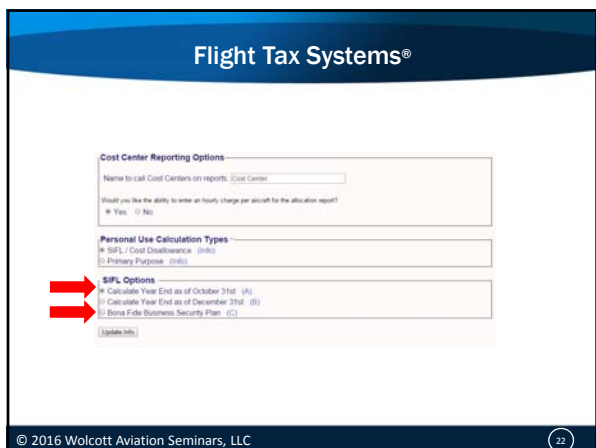
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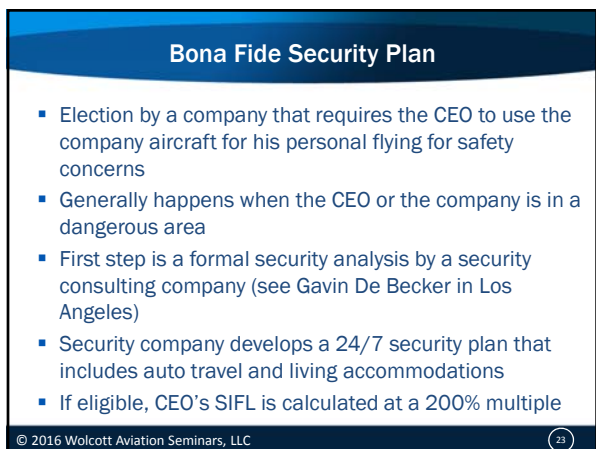
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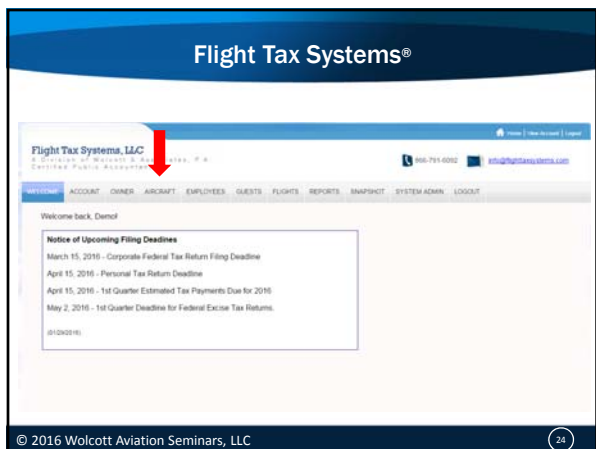
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### Flight Tax Systems®

WELCOME ACCOUNT **OWNER** EMPLOYEES GUESTS FLIGHTS REPORTS SNAPSHOT SYSTEM ADMIN LOGOUT

#### Account Setup: Registered Aircraft

The following aircraft have been setup on your subscription.

Registration #	Make	Model	Seats	
JetCard1	N/A	N/A	12	<a href="#">Edit Details</a>
N1234T	Turbine	Aircraft 1	14	<a href="#">Edit Details</a>
N750M	Turbo Prop	Aircraft	9	<a href="#">Edit Details</a>
(Avantair)	Avantair	Avantair #1	8	<a href="#">Edit Details</a>
(Pinnacle)	Challenger	604.605	12	<a href="#">Edit Details</a>
(NetJets - N12)	Gulfstream	550	14	<a href="#">Edit Details</a>
(NetJets - N1500)	Gulfstream	550	14	<a href="#">Edit Details</a>
(PlaneSense - Demos)	Pilatus	PC-12	6	<a href="#">Edit Details</a>

[Add Aircraft](#)

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### Aircraft Use

- All aircraft use is subject to the reporting rules:
  - Owned aircraft
  - Leased aircraft
  - Fractional aircraft
  - Jet cards
  - Chartered aircraft
- Flight Tax Systems handles all aircraft types

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### Flight Tax Systems®

WELCOME ACCOUNT OWNER **EMPLOYEES** GUESTS FLIGHTS REPORTS SNAPSHOT SYSTEM ADMIN LOGOUT

#### Account Setup: Add Aircraft

Aircraft Options (required field)

Which type of aircraft would you like to add?

Enterprise Aircraft  Fractional Aircraft

[Continue](#)

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**Account Setup: Aircraft Details**

**Aircraft Details** required fields

Instructions for filling out the form below.

Registration Number:

Aircraft Make:

Aircraft Model:

Serial Number:

Number Of Passenger Seats:  (0-999)

State where aircraft is based:  (Select)

Base Airport:  (0-9999)

Max. Seating Per Leg:

This aircraft is:

Chartered

Leased

Rented (check as a chartered aircraft)

This aircraft is used or operated by:

Other (not listed)

135 Charter Operator

Aircraft Rental Company

Flight School

Other Company

Other Use

Other (Please describe):

Maximum Take Off Weight (MTOW) (0-99999 lbs):

< 6000 lbs

6001 - 10000 lbs

10001 - 20000 lbs

20001 lbs +

Does the owner ever fly the plane?  YES  NO

Does a 5% owner lease the plane?  YES  NO

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**Flight Tax Systems®**

**Cost Center Reporting** required fields

Please answer the question below to setup this aircraft for cost center reporting.

Hourly Charge:

**SEC Module** required fields

Enter new amounts and dates.

Start Date:  (Select)

End Date:  (Select)

Amount:

**Depreciation** required fields

Depreciation Type	Rate	Year Began
<input type="checkbox"/> MACRS Accelerated	<input type="checkbox"/> 5 Yr <input type="checkbox"/> 7 Yr	<input type="text"/>
<input type="checkbox"/> Straight Line	<input type="checkbox"/> 6 Yr <input type="checkbox"/> 12 Yr	<input type="text"/>
<input type="checkbox"/> Does Not Apply		
<input type="checkbox"/> None		
<input type="checkbox"/> Bonus Depreciation	<input type="checkbox"/> 50% <input type="checkbox"/> 100%	<input type="text"/>

**Current Status**

Display on Rights?  YES  NO

[View Manual](#)

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**Depreciation Overview**

- If the predominant use is company business, taxpayer's options:
  - MACRS 5-year accelerated depreciation, if business use is >50%
  - Straight-line 6-year if business use is <50%
- If predominant use is charter, taxpayer's options:
  - MACRS 7-year accelerated depreciation, if business use is >50%
  - Straight-line 12-year if business use is <50%

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### Depreciation Overview

- If taxpayer chooses MACRS, business use must be >50% during the depreciable life of the aircraft, or the taxpayer must recapture accelerated portion
- Includes aircraft where bonus depreciation or Sec 179 was claimed
- If taxpayer is not sure what the future holds, may be better off taking straight-line depreciation

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### Flight Tax Systems®

This aircraft is used or operated by:  
(Check all that apply)

135 Charter Operator  
 Aircraft Rental Company  
 Flight School  
 Other Company  
 Owner Use

Other (Please describe):

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Maximum Take Off Weight (MTOW) (lbs)

≤ 6000 lbs  
 6001 - 10000 lbs  
 10001 - 25000 lbs  
 25001 lbs +

\*Does the owner ever fly the plane?  Yes  No  
 \*Does a 5% owner lease the plane?  Yes  No

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### Special MACRS Rules Apply when Leasing

- Special rules\* apply when the company claims accelerated (MACRS) depreciation and there is leasing to a 5% owner
- At least 25% of the passengers, not including 5% owners, must be on the plane for business
- If the 25% test is met, those non-owner business passengers will contribute to the >50% test.
- If the company fails to meet both tests in any year of the depreciation cycle, the company must switch to straight-line depreciation, and recapture excess depreciation back to the acquisition year.
- Call us if you think this applies to you.

\* IRC 280F

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### Flight Tax Systems®

**Cost Center Reporting** (required field)

Please answer the question below to setup this aircraft for cost center reporting.

Hourly Charge:

**Depreciation** (required field)

Depreciation Type	Rate	Year Began
<input checked="" type="radio"/> MACRS Accelerated	<input type="radio"/> 5 Yr <input type="radio"/> 7 Yr	<input type="text" value="2011"/>
<input type="radio"/> Straight Line	<input type="radio"/> 6 Yr <input type="radio"/> 12 Yr	<input type="text" value=""/>
<input type="radio"/> Does Not Apply		
<input type="radio"/> None		
<input type="radio"/> Bonus Depreciation	<input type="radio"/> 50% <input type="radio"/> 100%	<input type="text" value=""/>

**Current Status**

Display on flight?  Yes  No

[Save Aircraft](#)

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### Flight Tax Systems®

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WELCOME ACCOUNT OWNER AIRCRAFT EMPLOYEES GUESTS FLIGHTS REPORTS SNAPSHOT SYSTEM ADMIN LOGOUT

Welcome back, Demel

**Notice of Upcoming Filing Deadlines**

- March 15, 2016 - Corporate Federal Tax Return Filing Deadline
- April 15, 2016 - Personal Tax Return Deadline
- April 15, 2016 - 1st Quarter Estimated Tax Payments Due for 2016
- May 2, 2016 - 1st Quarter Deadline for Federal Excise Tax Returns.

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### Flight Tax Systems®

WELCOME ACCOUNT OWNER AIRCRAFT **EMPLOYEES** FLIGHTS REPORTS SNAPSHOT SYSTEM ADMIN LOGOUT

**Account Setup: Employee Passengers**

The employees below have been entered to speed up the flight input process.  
 You will also have the ability to enter guests of these employees.

Title	First Name	Last Name	Control?	Note	<a href="#">View Guests</a>	<a href="#">Edit Employee</a>
Mr	Charles	Anderson	Yes		<a href="#">View Guests</a>	<a href="#">Edit Employee</a>
	Dana	Beatty	No		<a href="#">View Guests</a>	<a href="#">Edit Employee</a>
Mr	Howard	Boss	Yes	Howard is the co-founder	<a href="#">View Guests</a>	<a href="#">Edit Employee</a>
	Dan	Davis	No		<a href="#">View Guests</a>	<a href="#">Edit Employee</a>
Mr	Adam	Emery	No		<a href="#">View Guests</a>	<a href="#">Edit Employee</a>
Ms	Assistant	Emery	No		<a href="#">View Guests</a>	<a href="#">Edit Employee</a>
Mr	George	Emery	No		<a href="#">View Guests</a>	<a href="#">Edit Employee</a>
Mr	Yves	Emery	No		<a href="#">View Guests</a>	<a href="#">Edit Employee</a>
	Chris	Conditto	No		<a href="#">View Guests</a>	<a href="#">Edit Employee</a>
	Robert	Smith	No		<a href="#">View Guests</a>	<a href="#">Edit Employee</a>
	Patrick	Dimitrov	No		<a href="#">View Guests</a>	<a href="#">Edit Employee</a>
	Member	of BCD	No		<a href="#">View Guests</a>	<a href="#">Edit Employee</a>
Total Records: 12						
<a href="#">Add Employee</a>						

NOTE: Add employees first, then add guests that are normally assigned to that employee.

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### Flight Tax Systems®

**Account Setup: Employee Passenger Entry**

**Employee Details** (required fields)

Employee's information is the same as the Primary Contact

Title:

First Name:

Last Name:

Email Address:

Phone:  (USA)  (561)  (1471)  (888) - 888 - 8888

Note:  (US)  (INTL)

**Employee Options**

- Control Employee (SIFL)
- Non-Control Employee (SIFL)
- Former Control Employee
- Specified Individual (SIFL)
- Five % (or greater) Owner

**Current Status**

Available for flight?  Yes  No

[Back Employee](#)

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### Employee SIFL Classifications

- SIFL is the taxable fringe benefit charged to employees for *non-business* use of the company aircraft
- SIFL rates cents-per-mile amounts (plus terminal charge) that are published by the DOT every 6 months
- SIFL is calculated point-to-point (different from Cost disallowance)
- SIFL is accumulated annually and is added to the employee's W-2 or 1099

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### Employee SIFL Classifications

- Control Employees:
  - Control employees are the top executives in the company that have aircraft use privileges
  - Control employees are SIFL'd at a higher rate (i.e., more tax)
  - Guests of Control Employees are taxed to the employee at the employee's SIFL rate
- Non-control employees:
  - Everyone else
  - Non-control rates do not apply often

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### SIFL Exceptions

- 50% Seating Capacity Rule, applies to employees and their guests when 50% of the seats are filled with business passengers
- Children under 2 are not taxed
- Special rules for international flights longer than 7 days

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### Flight Tax Systems®

**Account Setup: Employee Passenger Entry**

**Employee Details** Required fields

Employee's information is the same as the Primary Contact

Title:

First Name:

Last Name:

Email Address:

Phone:

Note:

**Employee Options**

Control Employee (SIFL)

Non-Control Employee (SIFL)

Former Control Employee

Specified Individual (SIFL)

Free To (or greater) Owner

**Current Status**

Available for Rights?  Yes  No

[Back Employee](#)

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### Entertainment Passengers

- Specified Individuals are executives that invite employees or guests to be passengers for entertainment purposes
- Entertainment passengers' pro-rata aircraft costs, expenses, and depreciation are disallowed on the company's annual income tax return
- Disallowed costs cause taxable income to increase, increasing company income taxes
- The greater the number of entertainment passengers, the greater the increase in company income tax

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### Flight Tax Systems®

**Account Setup: Employee Passenger Entry**

**Employee Details** (required fields)  
Employee's information is the same as the Primary Contact

Title:

First Name:

Last Name:

Email Address:

Phone:    (888)

Note:  (Info)

**Employee Options**

Control Employee (Info)

Non-Control Employee (Info)

Former Control Employee

Specified Individual (Info)

Five % (or greater) Owner

**Current Status**

Available for flight?  Yes  No

[Save Employee](#)

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### 5% Owner Rules

- Use of the aircraft by 5% owners effects the company's eligibility to report MACRS accelerated depreciation
  - Rules apply when the 5% owner is the only person on the aircraft for business purposes
  - Rules include when a 5% owner-equivalent is on the aircraft
  - The rules are more complex when the aircraft is leased to the 5% owner
- If the 5% owner rules are not met, the company can't claim MACRS, bonus depreciation or Section 179 deductions
- FTS has a special report for 5% owner eligibility

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### Flight Tax Systems®

**Account Setup: Employee Passenger Entry**

**Employee Details** (required fields)  
Employee's information is the same as the Primary Contact

Title:

First Name:

Last Name:

Email Address:

Phone:    (888)

Note:  (Info)

**Employee Options**

Control Employee (Info)

Non-Control Employee (Info)

Former Control Employee

Specified Individual (Info)

Five % (or greater) Owner

**Current Status**

Available for flight?  Yes  No

[Save Employee](#)

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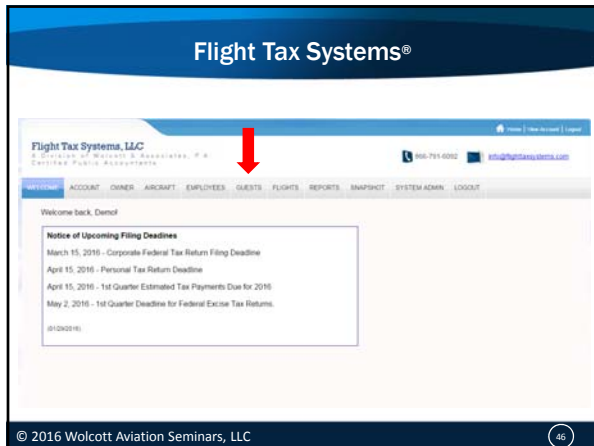
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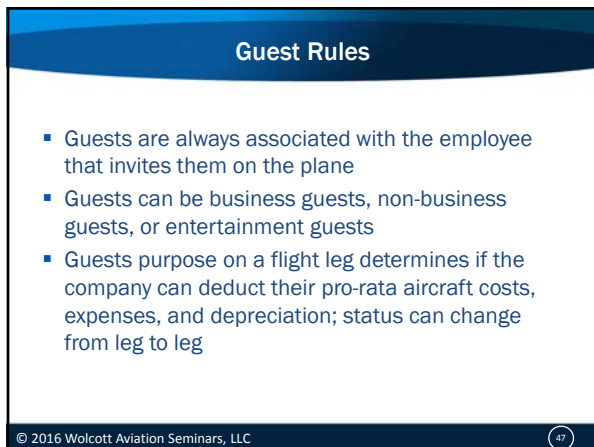
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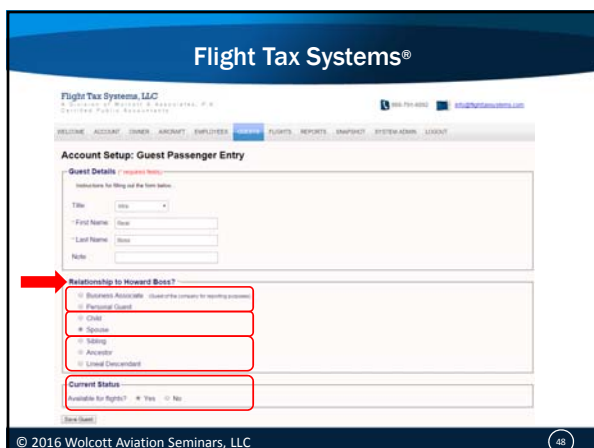
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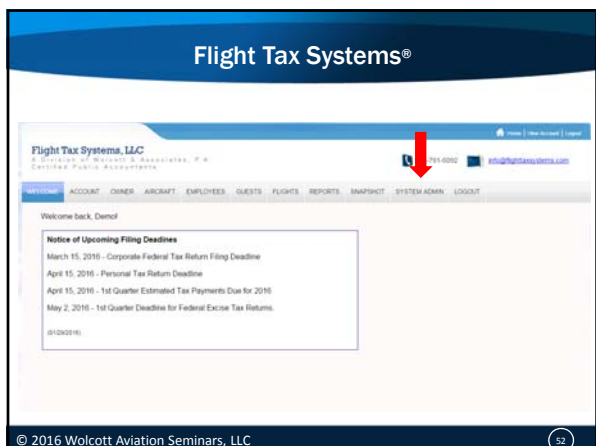
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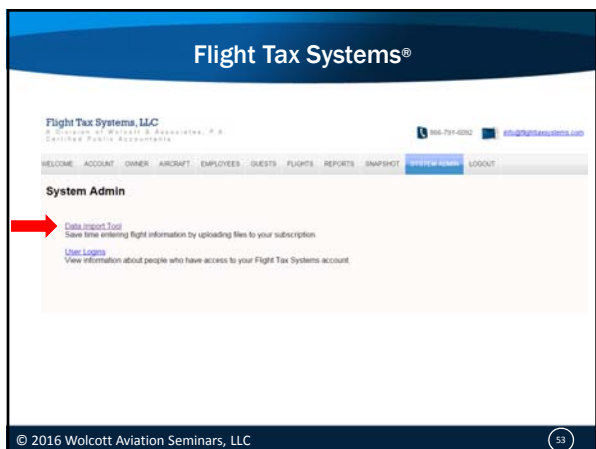
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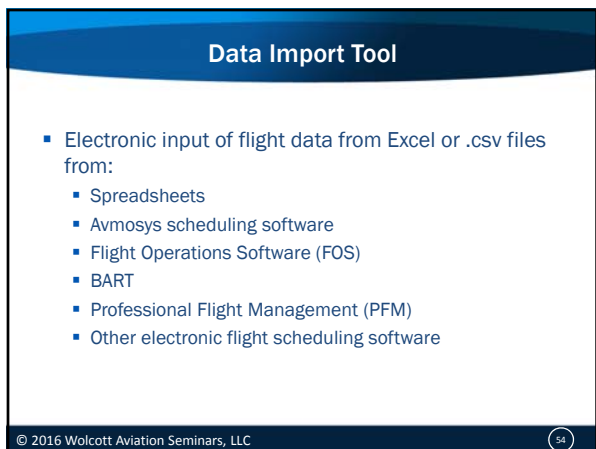
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888-791-4092 info@flighttaxsystems.com

WELCOME ACCOUNT OWNER AIRCRAFT EMPLOYEES GUESTS FLIGHTS REPORTS SNAPSHOT **System Admin** LOGOUT

**System Admin**

[Data Import Tool](#)  
Save time entering flight information by uploading files to your subscription.

**User Logins**  
View information about people who have access to your Flight Tax Systems account

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WELCOME ACCOUNT OWNER AIRCRAFT EMPLOYEES GUESTS FLIGHTS REPORTS SNAPSHOT **System Admin** LOGOUT

**System Admin: User Logins**

First Name	Last Name	Username	Access Level		
Demo	Owner	demoowner	Admin	<a href="#">Edit User</a>	
Sam	Smith	SamS	Reports Only	<a href="#">Edit User</a>	<a href="#">Remove Login</a>
John	Jones	JohnJ	Operations	<a href="#">Edit User</a>	<a href="#">Remove Login</a>
Alan	Adams	AlanA	Pilot	<a href="#">Edit User</a>	<a href="#">Remove Login</a>

[Add User](#)

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**User Access Levels**

1. Pilots: May only input basic flight data
2. Reports: Cannot input data or edit flights. They may only read reports
3. Operations: Input flight and passenger information. Cannot view reports
4. Administrator: Has all system access, including login and password assignments

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### System Admin: User Logins

**User Information** *required fields*

\* Is this person an existing employee?  Yes  No

**Login Information** *required fields*

- Admin users have full access to the site and can add/delete all information.
- Operations users can enter flights and can add/delete passenger information.
- Pilot users can only enter flight information.
- Reports Only users only have the ability to generate reports.

\* Access Level:

\* Username:   
  
  
 Reports Only

\* Password:

**Current Status**

Available for flights?  Yes  No

[Back User Login](#)

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## Entering Flights

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WELCOME | ACCOUNT | OWNER | AIRCRAFT | EMPLOYEES | GUESTS | **FLIGHTS** | REPORTS | SNAPSHOT | SYSTEM ADMIN | LOGOUT

Welcome back, Demo!

**Notice of Upcoming Filing Deadlines**

- March 15, 2016 - Corporate Federal Tax Return Filing Deadline
- April 15, 2016 - Personal Tax Return Deadline
- April 15, 2016 - 1st Quarter Estimated Tax Payments Due for 2016
- May 2, 2016 - 1st Quarter Deadline for Federal Excise Tax Returns.

(SIGNOFF)

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### Entering Flights

- Select aircraft
- Date range
  - Hint: Keep date range short when you have a lot of flights
- Red and green icons indicate if the flight data is complete for that leg
- Sort flight legs in either ascending or descending order
- Click icon at lower-left to enter a new flight

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WELCOME ACCOUNT OWNER AIRCRAFT EMPLOYEES GUESTS **FLIGHTS** REPORTS DRAFTSHEET SYSTEM ADMIN LOGOUT

Taxline Aircraft 1: N303AT January 1, 2015 - October 31, 2015 View Flights

Flight Date	Flight #	Leg #	Depart	Arrive	Category	Miles	Hours	# Pass	
06/15/2015	100	9	KONA	KFTW	Deadhead	649.5	1.5	2	X
06/15/2015	100	8	KFKE	KONA	Passenger	289.9	2	2	X
06/15/2015	100	7	KLAS	KFKE	Passenger	2,154.9	4.9	2	X
06/14/2015	100	6	KVNY	KLAS	Passenger	228.6	1	2	X
06/14/2015	100	5	KMSA	KAPA	Passenger	1,707.1	4	3	X
06/14/2015	100	4	KJAX	KMA	Passenger	335.7	0.7	2	X
06/14/2015	100	5	KFKE	KLUR	Passenger	1,102.9	2.4	2	X
06/14/2015	100	3	KTEB	KJAX	Passenger	833.0	2	2	X

Departure Airport	Arrival Airport	Flight Leg Info
KFT (Lauderdale Executive Airport) Fort Lauderdale, Florida (United States)	KMNB (McNabb International Airport) Nashville, Tennessee (United States)	2nd Flight of the day Purpose

[Enter New Flight](#)      [ASCENDING](#) | [DESCENDING](#)

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WELCOME ACCOUNT OWNER AIRCRAFT EMPLOYEES GUESTS **FLIGHTS** REPORTS DRAFTSHEET SYSTEM ADMIN LOGOUT

Taxline Aircraft 1: N303AT January 1, 2015 - October 31, 2015 View Flights

#### FLIGHT LEG INFORMATION

Flight Date: 06/15/2015    Flight of the day: 9

This flight was the 1st Flight of the day

Flight Number: 100    Leg Number: 9

Category: Passenger

Departure: KONA

Arrival: KFTW

Flight Hours: 1.5

Category: Passenger    # Passengers: 2

Purpose of Leg: Deadhead

Enter New Flight    Save Flight Info    Close Window

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WELCOME | ACCOUNT | OWNER | AIRCRAFT | EMPLOYEES | GUESTS | **Passengers** | REPORTS | SNAPSHOT | SYSTEM ADMIN | LOGOUT

Aircraft: Turbine Aircraft 1 Flight Date: 06/15/2015  
 Purpose: Return Flight Passengers: 2  
 Departure: KLAS Arrival: KTXE

Passenger	Purpose	Host?	On Board?	Exited?	Reimbursed	Add
Mr. Howard Dine	Business	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Add to Log
Mr. Adam Employee	Business	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Add to Log
Mr. Alexander Employee	Not Reimbursed	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Add to Log
Mr. George Employee	Entertainment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Add to Log
Mr. Vito Employee	Business	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Add to Log
Missions of EMS	Business	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Add to Log
Business Associate	Business	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Add to Log
Mr. Justin Dine	Business	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Add to Log

Same Passengers as Previous Leg: [View Passengers](#)

Missing Information? (0/0)

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WELCOME | ACCOUNT | OWNER | AIRCRAFT | EMPLOYEES | GUESTS | **Passengers** | REPORTS | SNAPSHOT | SYSTEM ADMIN | LOGOUT

Aircraft: Turbine Aircraft 1 Flight Date: 06/15/2015  
 Purpose: Return Flight Passengers: 2  
 Departure: KLAS Arrival: KTXE

Passenger	Purpose	Host?	On Board?	Exited?	Reimbursed	Remove
1. Mr. Howard Dine	Business	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2. Mr. Adam Employee	Business	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

[Return to Flights](#)

Missing Information? (0/0)

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WELCOME | ACCOUNT | OWNER | AIRCRAFT | EMPLOYEES | GUESTS | **Flights** | REPORTS | SNAPSHOT | SYSTEM ADMIN | LOGOUT

Turbine Aircraft 1 | 10/01/2015 - 10/31/2015 | June | 11 | 12 | 2015 | June | 11 | 12 | 2015 | [View Flights](#)

Flight Date	Flight #	Lag #	Depart	Arrive	Category	Miles	Hours	# Pass
06/15/2015	198	2	KLAS	KTXE	Passenger	2,004.8	4.3	2
06/14/2015	198	6	KUNV	KLAS	Passenger	226.6	1	1
06/14/2015	198	5	KMAA	KAPA	Passenger	1,707.5	4	3
06/14/2015	198	4	KJAX	KMAA	Passenger	1,157.7	0.7	2
06/14/2015	198	9	KTXE	KJAX	Passenger	1,102.8	2.4	2
06/14/2015	198	3	KTEB	KJAX	Passenger	833.0	2	2

Departure Airport	Arrival Airport	Flight Lag Info
Mr. George (Hollywood Airport) Las Vegas, Nevada (United States)	Mr. Alexander (Sunrise Airport) Fort Lauderdale, Florida (United States)	1st Flight of the Leg Passenger Return Flight

Missing Information? (0/0)

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## Printing Reports

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WEST PALM BEACH, FLORIDA 33411  
TEL: 561-438-1001    [info@taxsystems.com](mailto:info@taxsystems.com)

WELCOME   ACCOUNT   OTHER   AIRCRAFT   EMPLOYEES   GUESTS   FLIGHTS   **REPORTS**   IMPACT   SYSTEM ADMIN   LOGOUT

### Flight Checklist

Each of the sections below contains a test that was run on the flights entered for your account. If any of the flights did not pass a specific test, you will see a link to view the flights that failed.

#	Test Description	Result
1.	All passengers identified and added to flights.	PASSED
2.	All overhead flights have ghosted passengers identified.	PASSED
3.	All flight legs have a purpose entered.	FAILED

Date	Aircraft	Flight #	Leg #	Depart	Arrive
06/15/2015	KC12AT	100	1	KFJE	KOMA

4.	All "unknown" flight categories reassigned.	PASSED
5.	International business flights categorized as plus or minus 7 days.	PASSED
6.	Business and personal days entered for all business passengers on international flights.	PASSED
7.	Specified individuals are identified for all entertainment flights.	PASSED
8.	All Missing information reports have been resolved.	PASSED
9.	All flight legs have complete information, as indicated by a green icon.	FAILED

The following reports may help in clearing issues on this page:

- Flight Sequence Report
- No-Exit Passengers Report
- Passengers / Purpose Report

\*\*\* I understand there are issues, allow me to get reports

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## 280 F Depreciation Report

**Report Name:** 280F Depreciation Report (Occupied Seat)      **Owner:** Demo Client

Date	Aircraft	Flight #	Leg #	Depart	Arrive	Flight Hours	Total Pass	Bus Pass	NBNE Pass	Em Pass	Occupied Seat Hours	20% Test	50% Test	Does Not Qualify	
05/01/2015	N1234T	101	1	KSFO	KLAX	1.0	1			1	1.0	0.0	0.0	1.0	
05/01/2015	N1234T	101	2	KLAX	KPSF	0.4	1	1			0.4	0.4	0.4	0.0	
05/01/2015	N1234T	101	3	KPSF	KSFO	1.3	1		1		1.3	0.0	0.0	1.3	
05/02/2015	N1234T	102	1	KSFO	KLAX	1.0	1	1			1.0	1.0	1.0	0.0	
05/02/2015	N1234T	102	2	KLAX	KPSF	0.4	1			1	0.4	0.0	0.0	0.4	
05/02/2015	N1234T	102	3	KPSF	KSFO	1.3	1			1	1.3	0.0	0.0	1.3	
05/02/2015	N1234T	102	4	KSFO	KFXE	5.0	2	2			10.0	10.0	10.0	0.0	
05/02/2015	N1234T	102	5	KMCO	KOLV	1.5	2		2		3.0	1.5	3.0	0.0	
<b>Totals:</b>						8 Flights	11.9	10.0	4.0	2.0	4.0	18.4	12.9	14.4	4.0
												70.1%	79.3%		

**Aircraft:** N1234T  
**Period Covered:** 5/1/2015 - 5/31/2015  
**Does a 0% owner lease the plane?** NO  
**Does the aircraft pass the 20% test?** YES (70.1%)  
**Does the aircraft pass the 50% test?** YES (79.3%)

The selection of a depreciation rate is complex and involves many factors, including past and future use of the aircraft. This analysis should not be relied upon as a determining factor in selecting a depreciation method to use. The authors recommend that owners consult with their tax professionals in questions regarding depreciation rates.

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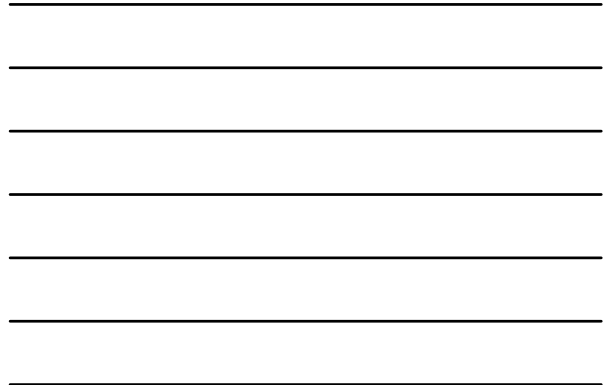


## Passive Loss Report

**Report Name:** Active/Passive Report      **Owner:** Demo Client

Flight Date	Aircraft	Flight #	Leg #	Depart	Arrive	Category	FAA Part	Hours	Statute Miles	Active Hours	Passive Hours	Allocable Hours	Active Miles	Passive Miles	Allocable Miles		
04/15/2015	N1234T	988889	1	KFLL	KTEB	Passenger		3.5	1,078.9	3.5			1,078.9				
04/15/2015	N1234T	988889	2	MBSB	KGRB	Passenger		3.5	1,977.3	3.5			1,977.3				
04/15/2015	N1234T	988889	3	KGRB	KFLL	Passenger		3.5	1,200.2	3.5			1,200.2				
04/15/2015	N1234T	988889	4	KFLL	X39	Passenger		0.7	201.7	0.7			201.7				
05/01/2015	N1234T	101	1	KSFO	KLAX	Passenger		1.0	337.5	1.0			337.5				
05/01/2015	N1234T	101	2	KLAX	KPSF	Passenger		0.4	109.3	0.4			109.3				
05/01/2015	N1234T	101	3	KPSF	KSFO	Passenger		1.3	420.4	1.3			420.4				
05/02/2015	N1234T	102	1	KSFO	KLAX	Passenger		1.0	337.5	1.0			337.5				
05/02/2015	N1234T	102	2	KLAX	KPSF	Passenger		0.4	109.3	0.4			109.3				
05/02/2015	N1234T	102	3	KPSF	KSFO	Passenger		1.3	420.4	1.3			420.4				
05/02/2015	N1234T	102	4	KSFO	KFXE	Passenger		5.0	2,514.0	5.0			2,514.0				
05/02/2015	N1234T	102	5	KMCO	KOLV	Passenger		1.5	672.6	1.5			672.6				
<b>Totals:</b>									12 Flights	23.1	9,439.1	23.1	0.0	0.0	9,439.1	0.0	0.0
												100.0%	0.0%	0.0%	100.0%	0.0%	0.0%

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## Florida Mileage Report

**Report Name:** Florida Mileage Apportionment Report      **Owner:** Demo Client

Date	Aircraft	Flight #	Leg #	Flight Hrs	Depart	Arrive	Statute Miles	Florida Miles	Miles Outside Florida		
04/15/2015	N1234T	988889	1	3.5	KFLL	KTEB	1,079.01	42.8	1,036.2		
04/15/2015	N1234T	988889	2	3.5	MBSB	KGRB	1,977.4	0.0	1,977.4		
04/15/2015	N1234T	988889	3	3.5	KGRB	KFLL	1,200.3	352.7	847.6		
04/15/2015	N1234T	988889	4	0.7	KFLL	X39	201.7	201.7	0.0		
05/01/2015	N1234T	101	1	1.0	KSFO	KLAX	337.5	0.0	337.5		
05/01/2015	N1234T	101	2	0.4	KLAX	KPSF	109.3	0.0	109.3		
05/01/2015	N1234T	101	3	1.3	KPSF	KSFO	420.4	0.0	420.4		
05/02/2015	N1234T	102	1	1.0	KSFO	KLAX	337.5	0.0	337.5		
05/02/2015	N1234T	102	2	0.4	KLAX	KPSF	109.3	0.0	109.3		
05/02/2015	N1234T	102	3	1.3	KPSF	KSFO	420.4	0.0	420.4		
05/02/2015	N1234T	102	4	5.0	KSFO	KFXE	2,514.1	501.9	2,012.2		
05/02/2015	N1234T	102	5	1.5	KMCO	KOLV	672.6	262.6	410.0		
<b>Totals:</b>							12 Flights	23.1	9,439.5	1,361.7	8,077.8
								14.4%	85.6%		

All distances are reported in statute miles. Florida airspace is determined by latitude and longitude coordinates, as defined at FL Statute 200.15(2)(c). Mileage apportionment for air carriers, is provided for at FL Statute 212.05(6), and further as provided at FL Reg 15A-1.064(3)(7).

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**Thank You Very Much!**

<p>Jed R. Wolcott, MBA Certified Public Accountant <a href="mailto:jedw@aviation-cpa.com">jedw@aviation-cpa.com</a></p>	<p>Shayne Gutierrez Marketing Director <a href="mailto:shayneg@aviation-cpa.com">shayneg@aviation-cpa.com</a></p>
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