



February 22, 2016

Thomas A. Barthold
Chief of Staff
Joint Committee on Taxation
U.S. Congress
Washington, DC 20515

Subject: Technical Correction Request

Dear Mr. Barthold:

This is to bring to your attention a minor drafting error in the PATH Act.

The phase down of bonus depreciation in section 168(k)(6) of the code, as added by the PATH Act, provides that for long-production-period property and certain aircraft acquired or contracted for by the taxpayer before the end of 2018 and placed in service before the end of 2019, an extra year of bonus depreciation at the 40 percent level applies for 2019. Similarly, the language provides that for such property acquired or contracted for by the taxpayer before the end of 2019 and placed in service before the end of 2020, an extra year of bonus depreciation at the 30 percent level applies for 2020.

The Joint Tax Committee staff's technical explanation of the PATH Act provides that for long-production-period property or certain aircraft acquired or contracted for by the taxpayer before the end of 2017 and placed in service before the end of 2018, a similar extra year of bonus depreciation, at the 50 percent level, applies for 2018. However, the phase down language in the statute is drafted to apply 40 percent bonus depreciation across the board for 2018, without an exception for long-production-period property and certain aircraft acquired or contracted for before that year.

A technical correction appears to be needed to conform the treatment of 2018 to the rules for the other years. Additionally, since the timing of enactment of a technical corrections bill is always uncertain, we would appreciate your noting the need for the technical correction in the upcoming bluebook for tax legislation enacted last year. Such a note would assist our member companies in dealing with their aircraft customers until Congress enacts a technical correction bill.



Thank you for addressing this technical correction. Please let us know if you have any questions or need additional information.

Sincerely,

A handwritten signature in black ink, which appears to read 'Peter J. Bunce', is centered below the word 'Sincerely,'.

Peter J. Bunce
President and CEO