IT 93 - Investment allowance - aircraft

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TAXATION RULING NO. IT 93

INVESTMENT ALLOWANCE - AIRCRAFT

F.O.I. EMBARGO: May be released

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OTHER RULINGS ON TOPIC IT's 68, 77, 94, 95, 96

FACTS

An enquiry was made regarding the eligibility for the investment allowance of an aircraft, owned by a private company and used to derive income from -

(a) the training of pilots with a company employee instructor in the aircraft;

(b) training flights with the trainee pilot flying solo but subject to total restriction as to flying time and flight pattern; and

(c) hourly rental of the plane to accredited pilots not under instruction.

RULING

2. The use of the aircraft described in (a) would not adversely affect the company's investment allowance deduction in respect of the aircraft, nor would the use of the aircraft described in (b) if the company is providing the trainee pilot with a comprehensive flying training course and the solo flying is an integral part of that course.

3. The investment allowance deduction would not be available if the aircraft were to be rented out to trainee pilots for solo flying otherwise than as a part of a comprehensive training course being provided by the company. A similar view would be taken of any rental of the aircraft to accredited pilots as mentioned in (c) above.

COMMISSIONER OF TAXATION