



AVIATION TAX CONSULTANTS LLC

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Diamond Aircraft Depreciation in 2026

Purchasing a new or used Diamond aircraft for business can generate substantial income tax savings. Federal law allows **100% bonus depreciation** for qualified aircraft acquired after January 19, 2025, allowing taxpayers to fully expense 100% of the cost of qualified aircraft in the first year of service. This benefit applies to both new and pre-owned aircraft, as well as aircraft upgrades, provided they meet business-use requirements and other requirements outlined in the Internal Revenue Code. The aircraft must be “placed in service” during the tax year for which you claim the deduction, meaning the aircraft is ready and available for business flights.

Section 179 offers another way to accelerate depreciation when 100% bonus may not be desirable. For tax years beginning in 2026, the maximum deduction is \$2.56 million, with a phaseout beginning when total qualifying property placed in service exceeds \$4.09 million. The deduction is also limited by taxable income from active businesses.

Plan the acquisition before closing

Coordinate ownership structure with an aviation tax advisor before buying the aircraft. Entertainment use, related-party leasing, passive activity loss and hobby loss rules can affect the deduction. The structure must also comply with FAA requirements.

State sales and use tax

Sales and use tax planning opportunities vary depending on the state(s) where the aircraft will be domiciled. Closing in a state without sales tax does not, by itself, eliminate use tax where the aircraft will be based.

Illustrative 2026 tax savings

The examples below assume new Diamond aircraft placed in service in 2026, 100% qualified business use and FAA Part 91 operations.

Model	New aircraft price	Bonus depreciation	2026 tax deduction	Potential tax savings*
DA20-C1	\$518,000	100%	\$518,000	\$207,200
DA40 NG	\$715,000	100%	\$715,000	\$286,000
DA42	\$1,350,000	100%	\$1,350,000	\$540,000
DA50	\$1,500,000	100%	\$1,500,000	\$600,000
DA62	\$1,900,000	100%	\$1,900,000	\$760,000

* Potential tax savings equal the deduction multiplied by an assumed 40% combined federal and state marginal income tax rate. Assumes full use of the deduction in 2026 and matching state bonus depreciation treatment. Actual savings vary.

Contact Aviation Tax Consultants to discuss your acquisition.

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Updated September 2026