

Owner & Pilot

ADVANTAGE

A Magazine for Owners and Pilots from *Skytech, inc.* Publications



The *New* Pilatus PC-24

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Funny How Time Flies



It's hard to believe that October 1st, 2023, marks the One Year Anniversary of the acquisition

of Skytech by Pilatus Aircraft, Ltd. As a newly adopted member of the Pilatus Family, I and 120 other members of Skytech count ourselves fortunate to be part of these new and exciting times. Although much work is being done behind the scenes integrating systems and procedures, great care has been taken to ensure continuity of the same level of service and support Skytech is known for. Skytech, at its core, is an Aircraft Sales and Support Organization. The acquisition by Pilatus will only strengthen that business model while both facilitating growth and solidifying a bright future for a journey that started 47 years ago.

Aircraft Charter and Management, continues to add airplanes to the FAA 135 Certificate and Pilots to the roster. Recently we added a new PC-12 NGX, and a PC-24 which is in the final stages of activation for service. Aircraft Sales are as busy as ever entering the final part of 2023 with many new units presold and extremely high demand for quality used inventory. Our Service departments continue to expand capabilities, armed with the addition of two AOG recovery vehicles and the talented and dedicated technicians to keep these aircraft flying.

As we round out the 2023 selling season with NBAA/BACE and the anticipated flurry of activity from now to new year, we remain focused on the "Big Picture," which is to deliver the Pilatus Class experience to ALL our customers.

Skytech, Inc., publisher of this magazine is an aircraft sales and service company with FBOs in Westminster, MD (DMW), Rock Hill, SC (UZA – Charlotte Metro Area) and Administrative Headquarters in Baltimore, MD (MTN). Your thoughts, suggestions, comments and criticism are important to us and we will always welcome reader feedback.

Please respond to:
Rick Shepard
Executive Vice-President of Operations
rshepard@skytechinc.com

Market Snapshot

MARKET SUMMARY *Information provided by JetNet (Current as of October 30, 2023)*

AIRCRAFT MAKE AND MODEL	FOR SALE (Current)	ASKING PRICE (12 month average)	% FOR SALE (12 month average)	DAYS ON MARKET (12 month average)
Piper M350	8	\$1,427k	4.7%	199
Piper M500	2	\$2,400k	1.8%	136
Citation M2 (Gen 2)	3	\$6,220k	6.5%	49
King Air 250	6	\$5,950k	2.2%	71
Caravan 208B	13	\$2,097k	90%	500
Socata TBM-900	9	\$3,295k	8.3%	92
Pilatus PC-12 NGX	9	\$7,286k	3.1%	71
Pilatus PC-24	14	\$11,798k	6.5%	123

SCHEDULE OF 2024 EVENTS*

Women in Aviation

Orlando, FL
March 21-23

EAA AirVenture

Oshkosh, WI
July 22-28

Sun 'N Fun

Lakeland, FL
April 9-14

NBAA

Las Vegas, NV
October 22-24

POPA Annual Convention

Colorado Springs, CO
June 5-7

PMOPA Convention & Fly-Out

TBD
November 1-3

Additional shows to be announced

*Event times/dates/attendance subject to change. Call Skytech at 888.386.3596 to confirm event details.

Recent

Highlights



GROWING CHARTER FLEET

Two Pilatus aircraft are being added to the charter fleet! A 2023 Pilatus PC-12 NGX is now available, as well as a 2023 Pilatus PC-24 on the way. Speak with Skytech Travel representatives for details about booking an aircraft by calling (888) 386-3596.

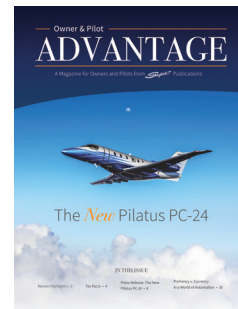
24/7 MOBILE AOG SUPPORT

Both locations are now prepared with better AOG support than ever. Equipped mobile response vehicles are available to assist when an aircraft is in need of service. For after-hours support, call (833) 399-7353.



LIGHTING THE WAY

Skytech DMW and UZA now have Pilatus lighting illuminating each facility. From the ramp, you'll notice a large Pilatus sign on the top of the maintenance hangar, and a box sign on the side. Be sure to visit Westminster, MD and Rock Hill, SC to see the additions.



Fall/Winter 2023

PUBLISHER
Rick Shepard

EXECUTIVE EDITOR AND
WRITER
Jennifer Longo

COLUMNIST
Sean Wallace
Daniel Cheung

GRAPHIC ARTIST
Jennifer Longo

THE ADVANTAGE
MAGAZINE STAFF
REQUESTS YOUR
FEEDBACK!

We would greatly appreciate hearing from you! Please tell us what you think of *Advantage* magazine and offer any thoughts you have for improving this publication. Our goal is to provide helpful, interesting information that you enjoy reading.

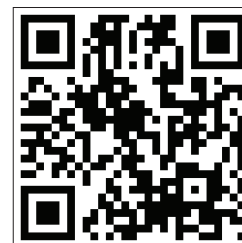
Your opinions, suggestions and ideas for new articles and content are important for continuing improvement and growth that will serve all our readers.

Email us at:
Advantage@Skytechinc.com
800-394-1334

Thank you!

The Pilot-In-Command is solely responsible for the safe and proper operation of his/her aircraft and it is the responsibility of the pilot-in-command to operate that aircraft in compliance with that aircraft's Pilot's Operating Handbook and other official manuals and directives.

www.skytechinc.com



Tax + Facts

DANIEL CHEUNG

KJ MCCARTER

Aviation Tax Consultants

WWW.AVIATIONTAXCONSULTANTS.COM

PHONE: (812) 342-9589

4020 W Goeller Blvd., Suite B • Columbus, IN 47201



Top 10 *Questions* of 2023

We have compiled the top ten questions and comments frequently asked or posed to our staff in 2023. We hope that these answers will provide readers with some timely and relevant information for their aircraft acquisition planning. Despite the uncertainties of the economy, interest rate and threat of a recession, we continue to see a very active market for aircraft transactions, and many buyers will take advantage of a late year acquisition to capture immediate income tax benefits.

1. Bonus depreciation for 2023 is 80%, what happens to the remaining 20%?

The remaining 20% of tax basis will be depreciated over the 6-year life utilizing MACRS depreciation method, for Part 91 operators. Taxpayers who executed a purchase agreement of a new aircraft prior to 2022 can still take advantage of 100% bonus depreciation in 2023 when certain requirements are met.

2. Does Section 179 Expensing still apply?

For aircraft costing under \$3 million, this provision still applies and may help taxpayers achieve 100% expensing in 2023. There are additional requirements to qualify for Section 179 Expensing, but many taxpayers can utilize this provision if their business is profitable.

For example, a \$1 million aircraft can be fully expensed under Section 179 Expensing in 2023. Using bonus depreciation, only \$800,000 can be depreciated in 2023.

3. I sold my aircraft in 2023 for a profit. How is the transaction taxed?

Recapture of tax depreciation is taxed as ordinary income. If the plane is sold for more than the original purchase price, the gain realized over the original purchase price is taxed as capital gains. The holding period of the aircraft will determine if the gains will be taxed as long- or short-term capital gains.

4. Passive Activity Loss - why is it relevant?

Section 469 of the tax code differentiates business activities between active and passive. Passive activity loss can only be used to offset passive activity income.

This is relevant to aircraft owners because if the aircraft deductions and depreciation are considered a passive rental activity, these losses cannot be used to offset the active business income of a taxpayer. Most aircraft owners have significant active business income and very few taxpayers have passive income. Therefore, it is critical that the ownership structure and the usage of the aircraft do not produce passive tax deductions for the taxpayer.

5. Can I deduct my vacation flights if I pay my aircraft company a fair market value lease payment?

No. Simply “paying” for your vacation flights by moving money from you individually to your aircraft company (that you also own) does not convert a non-deductible vacation trip into a tax-deductible trip.

6. I bought a plane in 2023. Do I have to maintain 100% business use in 2023?

No. Some personal use of your aircraft will result in a pro rata disallowance of operating expenses. However, the impact on depreciation deduction for 2023 is mitigated by making a taxpayer-friendly tax election with your 2023 tax return.

However, with a late year acquisition with limited number of flight hours for 2023, any entertainment flights may produce a disproportionate amount of disallowed expenses.

7. I bought a plane in 2023 and it is leased to a Part 135 charter company, and I will take advantage of bonus depreciation in 2023.

See #4 above. This is a common scenario where an aircraft may generate passive tax deductions that a taxpayer may not be able to utilize.

8. I will close my acquisition in South Carolina, pay \$500 sales tax as proof that sales tax has been paid and I can bring the plane to my home state tax free.

The distinction between sales tax and use tax is often misunderstood. Sales tax is easily avoided by closing the acquisition in a sales tax

friendly state – a state with a fly-away exemption for non-residents, or a state that does not impose sales tax. However, use tax will apply when the aircraft returns to its home state. Home state generally is the state where the aircraft is primarily hangered. (Home state is not the state where the aircraft LLC is organized. A Delaware aircraft LLC means absolutely nothing when it comes to state use tax avoidance.

For example, an aircraft is purchased in Bozeman, Montana. Since Montana does not impose a state sales tax, no sales tax is due at closing. When the aircraft returns home to California, California use tax will be due since the aircraft is hangered and operated in the state, unless an exemption is met. Use tax planning is often neglected by aircraft owners.

9. My new aircraft delivery is delayed until 2024. Can I prepay for the aircraft and depreciate the aircraft in 2023?

No. The tax code requires that the aircraft be placed in service for the aircraft to be depreciated. Placed in service means that the aircraft must be legally owned and available for use to the taxpayer in its intended condition. An aircraft that is not completed / not airworthy at the end of 2023 is not considered placed in service and therefore no income tax deductions can be taken until the aircraft is delivered in 2024.

10. I sold my business in 2023. Can I purchase an aircraft and reduce my income tax liability?

Maybe. The deductibility of a business aircraft depends on the business justification of the taxpayer. If a taxpayer sold a business and retires, it will be impossible to justify the need for a business aircraft going forward. If the taxpayer becomes an employee of the business under new ownership, the tax code is not friendly to employee utilizing a business aircraft and income tax deductions can be very limited.

If you are negotiating the sale of your business, some advanced planning on how the business is sold can help create continuing income tax deductions for the use of a business aircraft. •

Daniel Cheung, CPA is the principal of Aviation Tax Consultants. He is based at ATC's Scottsdale, Arizona office.

Aviation Tax Consultants, LLC (www.aviationtaxconsultants.com) is celebrating its 20th anniversary in 2023. Our consulting services include the elimination or reduction of sales and use tax, maximizing income tax savings, controlling the cost of personal use of the aircraft, complying with passive activity loss rules and Federal Aviation Regulations. Cooperation with client's current tax and legal advisors is welcome and encouraged.

The New PC-24 Is Here: More Range, More Payload, and Even More *Possibilities*

Beginning with new aircraft deliveries in 2024, Pilatus has extended the payload-range capability of its Super Versatile Jet to achieve a maximum range with six passengers of 2,000 nautical miles (3,704 kilometers). Pilatus also incorporated an array of new interior amenities, including a large side-facing divan which can be converted into a bed!

The new PC-24 features a 600 pound (272 kg) increase in full fuel payload and maximum payload capacity. This enables operators to increase the PC-24's maximum range by 200 nm (370 km) with six passengers on board. The PC-24 now offers a full fuel payload of a single pilot plus 1,315 pounds (596 kg), and features a class-leading maximum payload capacity of 3,100 pounds (1,406 kg).

Bruno Cervia, Vice President of Engineering for Pilatus, explained: "The payload increase was achieved by refining both wing and fuselage structural elements to reduce the airframe empty weight while simultaneously increasing the maximum gross take-off weight limit. It's simply Swiss engineering at its best".

Pilatus engineers conducted an extensive flight test campaign to expand the entire envelope for the higher design weights. At the PC-24's maximum take-off weight, balanced field length at sea level is only 3,090 feet (941 meters), allowing the use of very short and even unpaved runways.

Divan and Inflight Entertainment System

Already offering the largest cabin volume in its class, the interior of the new PC-24 has also been given a number of enhancements to improve the overall passenger flight experience. Ambient sound levels have been reduced through optimization of passenger service unit ducting, noise absorbing panels, and tuned engine accessory

air intake ducts. Cabinetry, storage areas, and the Welcome Center have all been refined to optimize the vast amount of space in the PC-24's cabin.

Pilatus partnered with Lufthansa Technik to incorporate a new integrated Cabin Management System (iCMS) featuring a 10" touch screen controller with 3D moving map, four high fidelity cabin speakers with a sub-woofer option, mood lighting, USB ports, and a media storage server.

Finally, in a first for this class of business aircraft, Pilatus is offering the option of a large side-facing divan that is 6 feet 6 inches (1.98 m) in length, and can be converted into a bed in flight.

Predictive Maintenance

All PC-24s from serial number 501 onwards will be equipped with a new feature to enable predictive services. The automated data transmission of key aircraft data directly to Pilatus upon landing will be analyzed and, if necessary, a predictive recommendation is made to the operator.

CEO Markus Bucher said: "More range, greater payload, enhanced comfort and increased operability were the primary focus of this major PC-24 improvement program. The PC-24 upgrade includes over 1,000 modifications throughout the aircraft. Yet again, we went all the way to the limits of what is possible, making maximum use of our engineering capabilities to deliver the best PC-24 ever. With this major upgrade, there is simply no other business jet on the market capable of consistently performing like our Super Versatile Jet". •

Visit www.pilatus-aircraft.com for more information

The *New* Pilatus PC-24



An extended aft divan converts into a 6 ft. by 6 in. bed and includes 3 drawers for storage.



The new PC-24 features a redesigned welcome center with optional crystal storage and optimized sink size.




Redesigned air outlets reduce noise and increase airflow while a noise absorbing panel curtain helps to further quiet the cabin.

WEIGHTS	PC-24	PC-24 MSN
	lb	501+ lb
Maximum Take-Off Weight	18,300	18,740
Maximum Payload*	2,500	3,100
Operating Empty Weight*	11,720	11,561
Maximum Payload Full-Fuel*	715	1,314

*Executive configuration (6 seat)



Scan to learn more about all of the new Pilatus PC-24 features

 Crafted in Switzerland

PC-12 NGX





A COCKPIT SO FORWARD-THINKING THAT YOU'LL NEVER LOOK BACK

The flight deck of the new PC-12 NGX offers performance-based technology with ultimate control and situational awareness. The Advanced Cockpit Environment (ACE) with single-lever electronic power control and integrated digital auto-throttle leaves other turboprops flying far behind the leader.

pilatus-aircraft.com

Call Skytech, inc., your nearest Authorized Pilatus PC-24 Sales Center for further information at 888.386.3596. Skytech is an Authorized Pilatus Sales Center for DC, KY, MD, NC, OH, PA, SC, TN, VA, WV.



Views *from the* Cockpit

For pilots, no view from the cockpit is ever exactly the same. Feast your eyes on this compilation of photos taken by Skytech pilots on various missions.



▲ Photo by Scott Amundson



Photo by Rick Shepard ▲



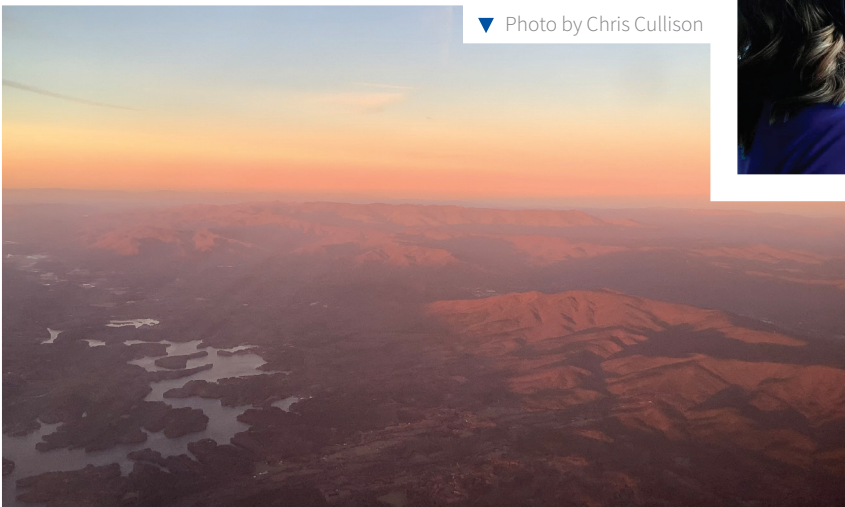
▲ Photo by Collin Aucker



Photo by Sabrina Sharkey ▲



Photo by Chelsea McLean ▼



▼ Photo by Chris Cullison



▲ Photo by Joseph Mancini

Proficiency v. Currency in a World of *Automation*

"...we must acknowledge that however reliable these systems are, nothing is *infallible*. With that, it is equally important to hone our skills without the aid of automation for that *“what if”* scenario if it indeed strikes."

BY SCOTT AMUNDSON - *Corporate Pilot*



Pilots today undoubtedly have more information and automation readily available to them than ever before. With the continued development of modern avionics, there is now little room for guessing. The onset of systems such as synthetic vision, FLIR and weather radar, traffic, and terrain awareness (TCAS/TAWS), etc., has allowed us, as aviators, to paint a comprehensive 3D picture of our position in space from the beginning to end of any given flight. When all these subsystems are partnered with the exacting performance of a sophisticated autopilot, there is now little ambiguity regarding reliability and safety in flight. From The Honeywell Apex (ACE) to the Garmin G3000 avionics suites, passengers and flight crews alike can rest assured they are sustained by the most reliable and versatile technology to date.

From a professional pilot stance, it is incumbent on us to be fully trained and versed on this equipment, being able to utilize it for what it is worth. Improper or inconsistent training nullifies whatever good these advanced systems are designed for. Furthermore, we must acknowledge that however reliable these systems are, nothing is infallible. With that, it is equally important to hone our skills without the aid of automation for that “what if” scenario if it indeed strikes. If you are reading this and are a pilot, there’s a high probability that you are Instrument rated. We learn early on that to maintain currency and exercise our IFR privileges, we must maintain specific currency requirements. Six approaches in six months with holds, intercepts, and tracking itself isn’t hard to maintain. But this raises the question, is the minimum currency enough to stay proficient? Although our logbook may reflect that we’ve maintained what’s required, does it really reflect whether a pilot is comfortable flying single pilot in hard IMC? It’s easy to say yes with all the information and automation at our disposal, but how prepared would someone truly be to hand-fly an approach to minimums without having previously rededicated some training to the basics? In this sense, I think it can be argued that properly utilizing automation and keeping a healthy understanding of how to operate safely without are equally important. Grab a safety pilot sometime, or pick a reasonable marginal VFR day and hit the red A/P disconnect. Hand-fly an approach from time to time and utilize the simulator for all its worth.

Adaptability and preparing for any and all contingencies are the name of the game. More often than not, the airplane can do all the hard work while we “watch the store.” We may have to step in and put those stick and rudder skills to work at any given time. Task saturation becomes a very real thing and quickly. That is why it is imperative that we train often and in as many scenarios as possible to better stack the deck in our favor for when Mr. Murphy shows himself in real-time. As useful as a tool that modern avionics and autopilots are, the airplane’s greatest safety resource for the foreseeable future is still the one sitting left seat in the pointy end. Safe Flying! •

M-CLASS FAMILY



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S a Word to the Wise

BY SEAN WALLACE - *Director of FBO Operations/Safety Manager*

Maintaining Your Mental Health

Mental health has been at the forefront of news stories and educational outreach for some time now and is finally beginning to reach aviation. However, the most recent reports in aviation have been startling, involving pilots reaching their breaking points, with one pilot even attempting to shut engines down mid-flight. With national headlines about pilots' behavioral and mental health, it is important to discuss ways for them to get help and dispel rumors that stop them from speaking out and getting the help they need before reaching a mental health crisis that could negatively impact their ability to fly.

A report published in September 2020 by the Centers for Disease Control (CDC) found that in the three-year period between 2015 and 2018, roughly 13 percent of adults used antidepressant medications. This indicates that mental health problems are not a rarity but relatively common. Since 2010, the FAA has allowed pilots to fly with medical waivers for mental health, even allowing medications such as citalopram (Celexa), sertraline (Zoloft), escitalopram (Lexapro), and fluoxetine (Prozac). The FAA states that only about 0.1% of medical certificate applicants who disclose health issues are denied. This statistic is far from the widespread belief that a mental health condition will immediately ground someone. The only significant risk of losing your medical certificate is when a condition goes untreated. To aid in eliminating the stigma around disclosing mental health concerns,

the FAA has started several initiatives over the last few years, including new guidance for pilots with situational depression, adjustment disorder with depressed mood, or minor depression. There has been an increase in resources for medical examiners with better training, industry-wide research and clinical studies on pilot mental health. There has also been a boost in on-staff mental health professionals to decrease wait times for return-to-fly decisions, amended policies, and a plan to provide long-term support for pilots in recovery.

Mental health is an important aspect of our safety as we fly. It is imperative to be mentally and physically healthy when entering the cockpit. During your next medical, ensure your health concerns are cared for and allow your AME to provide the necessary assistance to ensure you are physically and mentally healthy. The FAA is working hard to ensure mental health issues are well understood, and the help is there to keep us in the air. All we need to do is ask for it. If you or anyone you know needs support, please make an appointment with your AME, or utilize the resource at the bottom of the page. •

1-800-662-HELP (4357) SAMHSA's National Helpline is a free, confidential, 24/7, 365-day-a-year treatment referral and information service (in English and Spanish) for individuals and families facing mental and/or substance use disorders.