

Congress of the United States
House of Representatives
Washington, DC 20515-1604
February 25, 2013

The Honorable Barack Obama
President of the United States
The White House
Washington, DC

Dear Mr. President:

Over the past 5 years, you have demonized customers of the general aviation industry, calling them “fat-cat, corporate jet owners” and demanding that Congress eliminate their “subsidy” or “loophole” in order to pay for an even bigger federal government. Not only have your efforts destroyed jobs and economic growth in South Central Kansas, but the claim is also intellectually dishonest. No matter how often you and your staff say it—there is no such thing as a “corporate jet tax loophole.” This is simply a political sound bite.

For all your misleading talk about loopholes, what your administration is actually pushing is a 7-year depreciation schedule for all non-commercial aircraft, instead of 5 years. This change would impact a range of aircraft including crop dusters, single engine pistons, and business jets. The depreciation schedule for GA has been fixed at 5 years for a quarter century under general depreciation rules established in the bipartisan tax reform act of 1986 and under pre-existing asset class lives established by the IRS. ***No special provision exists in the depreciation schedule for corporate jets.***

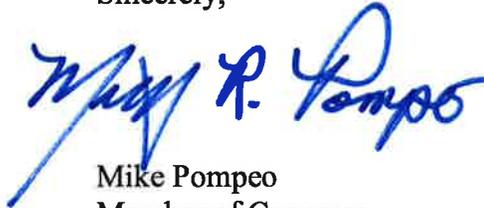
Nor is the 5-year depreciation schedule for GA aircraft unique. Numerous other types of assets have a 5-year depreciation schedule; some even have a 3-year schedule. Although your Administration contends that the 5-year depreciation schedule for GA aircraft must be a loophole since the depreciation schedule for commercial aircraft is 7 years, the depreciation rules include many such distinctions among related types of assets. At the core, however, it makes little sense for an American Airlines’ Boeing 747 to have the same depreciation schedule as a Kansas farmer’s Air Tractor.

Singling out general aviation for tax punishment is not only unfair, but it would also dramatically harm the entire \$150 billion industry. Instead of impacting CEO’s of large multinational corporations, whom you pretend to target, the only people who will feel this pain is the 1.2 million workers, many of whom are union members, who make a living building and servicing these aircraft. These are the hard-working men and women of Cessna, Learjet, Beechcraft, and hundreds of machine shops across Kansas who are just trying to provide for their families.

While a change in the depreciation schedule would have negative consequences for the Kansas economy, it would have a nominal impact on the national debt or upcoming sequestration. A one-year change to the schedule would only **offset the cost of sequestration** by 0.3% or a single day. The benefit simply does not outweigh the cost. Furthermore, the fact that you continue to harp on a tax provision that would have such a miniscule impact on sequester suggests to me that you are more interested in scoring political points than seriously addressing our fiscal crisis.

Mr. President, your irresponsibility in dealing with this issue is simply astonishing, but not surprising since—after countless invitations—you have repeatedly rejected offers to visit our aviation cluster in South Central Kansas. Once again, I urge you to get the facts and stop trying to kill good-paying American jobs, simply to increase the size of government and stoke the fires of class warfare.

Sincerely,

A handwritten signature in blue ink that reads "Mike R. Pompeo". The signature is written in a cursive, flowing style.

Mike Pompeo
Member of Congress

Cc: Speaker John Boehner
Minority Leader Nancy Pelosi
Chairman Dave Camp
Ranking Member Sander Levin