

CARES Act: Impact to General Aviation Clients

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) contains several provisions specifically focused on supporting the aviation industry. The support comes in various forms, including increased project funding, direct loans and loan guarantees, wage and benefit assistance, and tax relief. Airports, passenger air carriers (including Part 135 charter operators), cargo air carriers, contractors for Part 121 airlines, ticketing agents and Part 145 repair stations may all be eligible to receive benefits under the Act. Further, certain federal excise taxes imposed on commercial air transportation and aviation fuel are suspended until January 1, 2021. Below is a brief summary of some of the key provisions impacting aviation clients.

Increased Project Funding

- \$10 billion increase in funding to the Airport Improvement Program.
- \$100 million of such funding earmarked for general aviation airports.

Loans and Loan Guaranties

- \$25 billion in direct loans and loan guarantees available to commercial passenger air carriers (including Part 135 charter operators), Part 145 repair stations and ticketing agents.
- \$4 billion in direct loans and loan guarantees available to cargo air carriers.

Wage and Benefit Assistance

- \$25 billion in wage and benefit assistance for commercial passenger air carriers.
- \$4 billion in wage and benefit assistance for commercial cargo air carriers.
- \$3 billion in wage and benefit assistance for contractors servicing Part 121 air carriers.

Tax Relief

- Tax holiday until January 1, 2021 on certain excise taxes imposed on amounts paid for transportation by air, commonly referred to as the "ticket tax."
- Tax holiday until January 1, 2021 on certain excise taxes on fuel used in commercial aviation.

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