



BARBERA & WATKINS, LLC
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QUICK FACT SHEET DEMONSTRATION FLIGHTS

GENERALLY SPEAKING:

An aircraft operator can provide a demonstration flight of the aircraft to a prospective customer and receive limited compensation under Part 91 of the Federal Aviation Regulations.

REGULATIONS:

Operations that may be conducted under the rules of Part 91, Subpart F instead of those in Parts 121, 129, 135 and 137 of this chapter when common carriage is not involved, include flights for the demonstration of an airplane to prospective customers when no charge is made other than:

- (a) Fuel, oil, lubricants and other additives.
- (b) Travel expenses of the crew, including food, lodging and ground transportation.
- (c) Hangar and tie down costs away from the aircrafts' base of operations.
- (d) Insurance obtained for the specific flight.
- (e) Landing fees, airport taxes and similar assessments.
- (f) Customs, foreign permit and similar fees directly related to the flight.
- (g) In flight food and beverages.
- (h) Passenger ground transportation.
- (i) Flight planning and weather contract services.
- (j) An additional charge equal to 100% of the expenses listed in (a).

14 C.F.R. § 91.501(b)(3) and (d).

TO NOTE:

Federal transportation excise tax and associated segments fees are due on the amount paid by the user of the aircraft. Please note, however, that the 2020 CARES Act created a tax holiday for federal excise tax on transportation of persons and property for amounts paid starting March 27, 2020 and ending before January 1, 2021. The tax holiday also applies to certain fuel taxes on commercial kerosene.

Receiving compensation for demonstration flights is available to large (aircraft of more than 12,500 pounds, maximum certificated takeoff weight) and turbine-powered multi-engine aircraft. The NBAA Small Aircraft Exemption may be utilized to allow aircraft and helicopters that do not otherwise qualify to operate under this exemption.

"Prospective customers" refers to prospective purchasers or lessees of the aircraft, not prospective purchasers of air service.

Written documentation of the demonstration purpose may be helpful.

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