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## IRS Issues Final Regulations Regarding Deductions for Entertainment Use of Business Aircraft

**Date:** 08/21/12

The Internal Revenue Service ("IRS") recently issued final regulations (the "Final Regulations") regarding deduction limits for the entertainment use of corporate aircraft by "specified individuals" (e.g., officers, directors and more-than-10% owners). Specifically, the Final Regulations identify the airplane-related expenses subject to disallowance under section 274(a) of the Internal Revenue Code of 1986, as amended (the "Code"). The Final Regulations adopt, with only minimal modifications, controversial proposed regulations to Code section 274 that were issued in 2007 (the "Proposed Regulations"). The Final Regulations will be applicable for tax years beginning after August 1, 2012.

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