

## Three Reasons An LLC May Be Right for You When Buying an Aircraft

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You have probably noticed the initials LLC on your lawyer's or other professional's business card. You may even know that LLC stands for "limited liability company." What you may not have considered, though, is that an LLC may be the best way to go if you are buying an airplane in partnership with another person or group of people. Rather than having a legal partnership, you and your fellow aircraft owners would form an LLC. Sounds good, right?

Think of an LLC as a cousin to a partnership. LLCs have some family traits in common with partnerships, yet an LLC comes with fewer formalities, less paperwork and lower fees. Of course, the details for forming an LLC vary from state to state, but here are three good reasons why an LLC may be the right choice when you buy an airplane.

**Limited liability:** Just like the name states, an LLC protects the assets of its owners (members) who are typically not held personally responsible for the debts and liabilities of the LLC. That means that creditors cannot go after homes, cars and savings accounts in pursuit of debt repayment. Unlike a partnership, your personal assets are not vulnerable with an LLC.

**Tax considerations:** LLCs do not pay taxes as a business. Instead LLCs have a pass-through taxation. What that means is that any business income or loss is "passed through" to the LLC owners and reported as part of their personal income taxes.

**Flexibility:** Compared to S and C corporations, LLCs have fewer compliance requirements and fewer state-imposed compliance requirements. What's more, LLCs may choose their own management structures with no board of directors necessary to oversee the day to day business. Finally, unlike S corporations, fewer restrictions exist as to who can own an LLC and how many owners may be involved in one.

Whether as a sole owner, a partnership, an LLC or other legal entity, if you are seeking financing for an aircraft purchase, AOPA Aviation Finance Company is on your side. Check out the information at [www.aopafinance.com](http://www.aopafinance.com). There are links to frequently asked questions, a loan calculator to assist you in figuring out which loan fits into your budget and more.

Then reach out to one of the aviation finance specialists at 800.62.PLANE or 800.627.5263. In a rush? Email us at [info@aopafinance.com](mailto:info@aopafinance.com) to begin the application process today.

*The information presented in this article should not be relied upon as legal or financial advice. If you are interested in exploring an LLC for an aircraft ownership, consult an aviation-savvy lawyer and tax professional who will be able to provide you with advice tailored for your state, regulatory requirements, and your unique circumstances.*