United States Senate

WASHINGTON, DC 20510

July 24, 2026

The Honorable Scott Bessent
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, DC 20220

Frank J. Bisignano
Chief Executive Officer
Internal Revenue Service
1111 Constitution Avenue NW
Washington, DC 20224

Dear Secretary Bessent and Mr. Bisignano:

The 2017 Trump tax law and its extension under the "One Big Beautiful Bill Act (OBBBA)" delivered major tax breaks to private jet owners. Private jet purchases surged following enactment of the 2017 law, according to the Joint Committee on Taxation,[1] and appear to have again following its extension. Meanwhile, corporate executives benefit from massive tax breaks when they use corporate jets for personal travel. We write to urge you to use your existing authority to close the Standard Industry Fare Level (SIFL) loophole that allows undervaluation to shrink the tax bill for the personal use of corporate aircraft.

Executives and their guests are required to report the value of flights on a corporate jet for personal travel as taxable income. Taxpayers are permitted to calculate the value of the trip using one of two methods: they can either base the price on the cost of a chartered flight along the same route[2], or they can use the SIFL method.[3] The current SIFL rules allow substantial undervaluation of the taxable cost of personal use of corporate aircraft.

The SIFL method sums the number of miles flown on a trip and multiplies that by a per-mile rate, which is currently assessed at $0.2980 for the first 500 miles, $0.2272 for the next 1,000 miles, and $0.2184 for miles exceeding 1,500 miles.[4] This sum is then multiplied by a factor based on maximum takeoff weight[5] and combined with a terminal charge for each leg of the flight.[6,7] The total product of this calculation differs substantially from the $13 to $34 per mile that chartered jet companies charge their clients.[8] For example, if an executive uses a light-takeoff weight (10,000-25,000lbs) corporate jet for a trip from JFK airport in New York City to DCA airport in Washington, D.C., the fair market value of that flight could range from $4,500 to $5,112, according to an analysis by the Joint Committee on Taxation.[9] However, using the SIFL method, that executive would report income of just $235.77.[10] Assuming a marginal tax rate of

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[1] Letter from Joint Committee on Taxation to Senator Whitehouse et al. (Apr. 14, 2026).
[2] Treas. Reg. § 1.61-21(b)(6).
[3] Treas. Reg. § 1.61-21(g)(5).
[4] Rev. Rul. 2026-8, 2026-16 I.R.B. 812.
[5] Treas. Reg. § 1.61-21(g)(7).
[6] Treas. Reg. § 1.61-21(g)(5).
[7] Rev. Rul. 2026-8, 2026-16 I.R.B. 812.
[8] Airstream Jets, "Distance Card," https://airstreamjets.com/jet-card/.
[9] Letter from Joint Committee on Taxation to Senator Whitehouse et al. (Feb. 18, 2026).
[10] *Id.*

37 percent, the executive would pay roughly between $1,577 and $1,804 less in taxes for that trip under the SIFL method, notwithstanding other payroll and state tax considerations.

President Trump's 2017 tax law and subsequent OBBBA already awarded billionaires and big corporations massive tax breaks on luxury items, including private jets. The 2017 law enabled 100 percent bonus depreciation for the purchase of corporate aircraft, allowing buyers to deduct the full cost of a jet in the first year of the asset's recovery period[11] – a deduction previously spread across five years. Sales revenue from jets delivered in the United States increased by more than 36 percent between 2012 – five years before the tax break – and 2022.[12] While 100 percent bonus depreciation began to phase out in 2022, OBBBA restored the deduction and made it permanent.[13] This measure has already incentivized more private aircraft purchases by those wealthy enough to afford them. The "seismic" impact of the 100 percent bonus depreciation fueled an increase in 2025 jet sales of 11 percent from 2024 and 30 percent from 2023.[14]

The SIFL loophole compounds this giveaway. By allowing executives to report personal jet travel at a fraction of its true market value, the federal government is effectively subsidizing luxury travel for the wealthiest Americans while ordinary taxpayers bear the cost. The gap between the SIFL rate and actual charter market rates is not a minor technical discrepancy; it is a structural flaw that results in significant foregone tax revenue each year.

The IRS has the existing regulatory authority to either stop using or change the SIFL methodology. We urge you to exercise that authority to close the SIFL loophole and properly align what private jet users can write off with prevailing charter market rates. Such action would require no new legislation and ensure the private jet set pays a fairer share.

Thank you for your attention to this matter.

Sincerely,

Sheldon Whitehouse
United States Senator

Elizabeth Warren
United States Senator

[11] Pub. L. No. 115-97.
[12] Letter from Joint Committee on Taxation to Senator Whitehouse et al. (Apr. 14, 2026); Letter from Joint Committee on Taxation to Senator Whitehouse et al. (May 29, 2026).
[13] Pub. L. No. 119-21.
[14] Sophie Alexander, "Private Jets and Car Washes Are the Latest Tax Shields for the Ultrarich," *Bloomberg* (Oct. 27, 2025), https://www.bloomberg.com/news/features/2025-10-27/trump-tax-law-fuels-surge-in-jet-and-car-wash-purchases

Chris Van Hollen
United States Senator

Edward J. Markey
United States Senator

Bernard Sanders
United States Senator