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"The first time we heard 'corporate jet loop-hole' we couldn't figure out what they were talking about," said Ed Bolen, who heads the National Business Aviation Association.

The U.S. tax code treats private aircraft as it does bulldozers, computers and other business equipment: Companies that buy them are allowed to deduct the cost from their tax bill over five years. The deduction applies only to planes used for business purposes.

The depreciation schedule has been in place for decades. It is supposed to reflect how long a product will be useful to a business. But private planes and factory machinery can be used for decades, while computers and mobile phones can become obsolete before the five-year depreciation period expires.

Obama and his Democrats say the depreciation schedule for corporate jets should be stretched out to seven years, to treat private-aircraft purchases like commercial airliner purchases.

That would effectively raise the cost of buying a private plane because customers would be able to deduct just 14.29 percent of the price from their tax bill in the year of purchase, rather than the 20 percent that current law allows.

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