OwnaFleet: A Briefing for CPAs

Prepared for the CPA or tax advisor of a prospective participant

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> *This is an educational overview of how the program is structured, written for you as the tax professional. It is not tax, legal, or investment advice, and it is not an offer of a security. Every number here is illustrative. What actually applies to any one of your clients is your call to make on their facts.*

Why you are receiving this

When a client brings you a "heavy equipment tax strategy," your job is to protect them. Most of these pitches deserve the reflexive "no" they get, because they gloss over the parts that decide whether the deduction is actually usable.

I would rather hand you the hard parts up front. My goal is not to talk you into anything. It is to show you that we understand where these deals die, that we have built the documentation to support the position, and that you stay the advisor of record the whole way through. If after reading this you still say no for a given client, that is the system working.

What your client actually owns

This is not a fund, a pool, or a security. Your client takes **direct title to specific, identified equipment through their own single-member or partnership LLC.** They are the owner. A publicly traded national equipment-rental operator manages and re-rents the fleet on their behalf, and a specialized equipment-finance partner arranges the debt. Your client receives rental income and holds a real, titled, depreciable asset.

That ownership structure is the whole foundation. It is why the depreciation flows to your client and why this is not an investment contract.

The headline, stated carefully

The equipment typically qualifies for **100% first-year bonus depreciation under IRC section 168(k).** The 2025 budget act (OBBBA) permanently restored 100% bonus, so this is durable, not a sunsetting window. Used equipment qualifies (no original-use requirement), and because the units are already operating, they are placed in service for your client at closing, so there is no year-end deployment lag. The only hard year-end requirement is taking title before December 31.

On a roughly $1,000,000 purchase, the first-year deduction is on the full purchase price, not just the cash down. That is the leverage feature, and it is also exactly where the analysis has to get careful.

The three tests that decide whether the deduction is usable

This is the part other promoters skip. A deduction your client cannot use against their income is worthless, and whether they can use it turns on three separate limitations. We flag all three on purpose.

> **1. Passive activity rules (section 469).** This is the threshold question, and it runs in two steps. First, a rental activity is passive per se regardless of participation, so the activity has to fall outside "rental activity" as defined in Reg. section 1.469-1T(e)(3)(ii) before material participation is even relevant. Second, if it does, the owner must materially participate under one of the tests in Reg. section 1.469-5T(a).

We do not take a position on either step for your client, and we do not tell participants how much time is required or which of their activities qualify. Those are your determinations and, where the facts warrant, tax counsel's. What we do is provide records, described below.

Nothing about the program requires a client to take a non-passive position. A client with existing passive income can treat the activity as passive and use the loss against that income under section 469(a), which avoids the material-participation question entirely, needs no participation record, and may reduce net investment income for section 1411 purposes in a way a non-passive business loss cannot. Suspended losses carry forward under section 469(b) and are freed on a complete disposition to an unrelated party under section 469(g). For a client with no passive income and no active income to absorb the loss, our honest view is that the program is probably not a fit, and we would rather you reach that conclusion quickly. The sizing conversation in point 2 below is where that usually becomes clear.

> **2. Excess business loss limitation (section 461(l)).** Even when the loss is non-passive, a non-corporate taxpayer can only offset business losses against non-business income up to an annual cap (roughly $256K single / $512K MFJ for 2026, please confirm the current figure), with the excess carrying forward as an NOL. A pure W-2 earner cannot absorb a $400K deduction in one year. For those clients we can elect a smaller first-year amount and spread it, or size the purchase in annual tranches to match the cap. Clients with other active business income have far more room. This is a per-client sizing conversation, and it is yours to run.

> **3. At-risk basis (section 465).** The deduction is limited to the amount the client is at-risk. The financed portion counts only because the program uses a recourse, personally guaranteed loan (the qualified-nonrecourse exception is real-property only and does not apply to equipment). The unlimited personal guarantee is what supplies the at-risk basis, and it is a real, unlimited obligation your client is signing.

This is a deferral, not a permanent cut

We never present year one as free money. Bonus depreciation is timing. On sale or exit, section 1245 recaptures the depreciation as ordinary income. The mainstream way clients manage this is to roll exit proceeds into a new tranche, where fresh bonus depreciation offsets the recapture and the deferral continues. There are more advanced approaches involving basis step-up that require estate-tax counsel and the right family facts, and we present those only through counsel, never as a standard feature. The point for your planning: the recapture year is real and should be modeled from the start.

How we make your job easier, not harder

Documentation. We provide records, not conclusions.

Separately, and more useful than anything we could write ourselves, the operator's platform keeps dated and attributed system records of activity on your client's specific equipment: work orders with originator and assignment, inspection records with assignee and submitted and completed dates, an access-code action log with requestor and timestamp, and machine hours attributed to each access code issued. Your client can export these directly. We also give them a plain template for keeping their own dated notes as they go, with no target and no categorisation of what any entry means, because that is your call and not ours. The depreciation method and any elections are likewise entirely your and your client's decision.

A tax-counsel opinion letter. A client is free to obtain their own opinion from counsel of their choosing, which may well cost less. Either way, the opinion does two things: it tells you, the CPA, how to report the position correctly, and it provides penalty protection. Reliance on an independent opinion supports a reasonable-cause defense under section 6664, which can abate the section 6662 accuracy penalty if the position is later challenged and lost. To be precise: the opinion does not make the deduction win, and your client still owes any tax and interest if it loses. It is penalty insurance and a reporting roadmap, and the counsel must be genuinely independent of the deal.

You stay in control

We do not prepare returns, we do not file, and we do not give your clients tax advice. You run the suitability analysis, you decide whether it fits a given client, and you report it. Referring a client to us does not hand off your relationship, it deepens it: the client needs your section 461(l) sizing, your read on their material participation, any coordination with counsel, and your ongoing planning around the recapture. This is planning work that lives with you.

The honest bottom line

For the right client, one with active income to absorb the loss, the capacity to carry an unlimited guarantee, and the willingness to be genuinely involved in the activity and, optionally, to obtain a counsel opinion, this can be a powerful deferral. The program can also work for a participant who intends to treat the activity as passive and has passive income to absorb the loss; that path does not depend on material participation. For the wrong client, it is a "no," and we would rather you reach that "no" quickly than have a client in a structure that does not fit them.

If it would help, I am glad to get on a call with you, or to bring tax counsel onto a call, and walk through a specific client's facts. Whatever makes your evaluation easier.

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Current as of July 2026. Tax thresholds and rates change annually; please confirm current figures.