

**75 Depreciation.**

(a) Record here provisions for depreciation of property and equipment carried in balance sheet accounts 1601 through 1640, inclusive.

(b) This account shall be subdivided as follows:

## ALL AIR CARRIER GROUPS

**75.1 Depreciation—Airframes.**

Record here provisions for depreciation of property and equipment carried in balance subaccount 1601.1 Airframes.

**75.2 Depreciation—Aircraft Engines.**

Record here provisions for depreciation of property and equipment carried in balance sheet subaccount 1602.1 Aircraft Engines.

## GROUP II AND GROUP III AIR CARRIERS

**75.3 Depreciation—Airframe Parts.**

Record here provisions for depreciation of spare airframe instruments and parts carried in balance sheet subaccount 1608.1 Airframe Parts and Assemblies.

**75.4 Depreciation—Aircraft Engine Parts.**

Record here provisions for depreciation of spare aircraft engine instruments and parts carried in balance sheet subaccount 1608.5 Aircraft Engine Parts and Assemblies.

## ALL AIR CARRIER GROUPS

**75.5 Depreciation—Other Flight Equipment.**

Record here provisions for depreciation of property and equipment carried in balance sheet account 1607 Improvements to Leased Flight Equipment (exclusive of capitalized overhauls accounted for on a deferral and amortization basis) and balance sheet subaccount 1608.9 Other Parts and Assemblies. Group I air carriers shall also include in this subaccount provisions for depreciation of property carried in balance sheet account 1608 Flight Equipment Rotable Parts and Assemblies.

**75.6 Depreciation—Flight Equipment.**

This classification is established only for purposes of control by the BTS and shall include all charges to operating expenses for depreciation of flight equipment of all types and classes.

**75.8 Depreciation—Maintenance Equipment and Hangars.**

Record here provisions for depreciation of maintenance property and equipment included in balance sheet accounts 1630 Equipment, 1639 Improvements to Leased Buildings and Equipment, and 1640.1 Maintenance Buildings and Improvements.

**75.9 Depreciation—General Ground Property.**

Record here provisions for depreciation of property and equipment included in balance sheet accounts 1630 through 1640, exclusive of provision for depreciation of maintenance property and equipment included in account 75.8.

[ER-755, 37 FR 19726, Sept. 21, 1972, as amended by ER-948, 41 FR 12296, Mar. 25, 1976; ER-980, 42 FR 38, Jan. 3, 1977; 60 FR 66723, Dec. 26, 1995]

**76 Amortization Expense—Capital Leases.**

(a) Record here amortization charges applicable to assets recorded under capital leases in Account 1695 — Leased Property under Capital Leases.

(b) This account shall be subdivided as follows by all air carrier groups:

**76.1 Amortization—Capitalized Flight Equipment.**

Record here amortization charges applicable to flight equipment acquired under capital leases.

**76.2 Amortization—Capitalized Other Property and Equipment.**

Record here the amortization charges applicable to property and equipment, other than flight equipment, acquired under capital leases.

[ER-1401, 50 FR 245, Jan. 3, 1985]

**77 Uncleared Expense Credits.**

(a) Record here credits to operating expenses, which have not been cleared to the objective accounts to which applicable.

(b) Each air carrier shall credit, or charge as appropriate, the objective account prescribed for each expense element which may be involved in distribution of expenses between separate reporting entities or nontransport divisions of the air carrier. At the option of the air carrier, either the individual applicable objective accounts or this account may be credited with amounts capitalized, charged against incidental services, or otherwise assigned to other than separate operating entities of the air carrier provided the aggregate credits to this account in each function do not, for any accounting year, distort the individual objective accounts of the function to which related and all expense credits applicable to complete individual transactions are consistently credited either to this account or

the individual objective accounts to which related. Each air carrier using this account shall establish such standard practices as may be prescribed by the BTS or, in the absence of such action by the Civil Aeronautics Board, such standard practices as will prevent credits to this account from significantly distorting the individual objective accounts of each function to which related.

(c) This account shall not be credited with amounts applicable to objective accounts of the Flying Operations, Depreciation, and Direct Maintenance functions. Credits applicable to such functions shall be carried to the individual objective accounts to which applicable.

(d) This account shall be subdivided as follows by all air carrier groups:

**77.8 *Uncleared Interchange Expense Credits.***

Record here credits to operating expenses, from operations performed for others under aircraft interchange agreements, which have not been cleared to the objective accounts to which applicable.

**77.9 *Other Uncleared Expense Credits.***

Record here credits to operating expenses, from other than operations under aircraft interchange agreements, which have not been cleared to the objective accounts to which applicable.

[ER-755, 37 FR 19726, Sept. 21, 1972, as amended at 60 FR 66723, Dec. 26, 1995]

**78 *Direct Maintenance—Flight Equipment.***

This classification is established for purposes of control by the BTS and shall include all charges to operating expenses for maintenance of flight equipment of all types and classes.

[ER-755, 37 FR 19726, Sept. 21, 1972, as amended at 60 FR 66723, Dec. 26, 1995]

**79 *Applied Burden Debit/Credit.***

(a) This classification is established only for purposes of control by the BTS and reporting on Form 41 by air carriers, and shall reflect all maintenance burden applied in accordance with the provisions of section 24, schedule P-5 of this system of accounts and reports.

(b) This classification shall be subdivided as follows by all air carrier groups:

**79.6 *Applied Burden—Flight Equipment.***

**79.8 *Applied Burden—General Ground Property.***

[ER-755, 37 FR 19726, Sept. 21, 1972, as amended by ER-979, 38 FR 10926, May 3, 1973; 60 FR 66723, Dec. 26, 1995]

**Section 14—Objective Classification—Nonoperating Income and Expense**

**80 *Interest Income.***

Included under account 89 Other Nonoperating Income and Expense—Net.

[ER-1401, 50 FR 245, Jan. 3, 1985]

**81 *Interest on Long-term Debt and Capital Leases.***

(a) Record here interest expense applicable to long-term debt and capitalized leases.

(b) This account shall be subdivided as follows by all air carrier groups:

**81.1 *Interest expense—long-term debt.***

Record here interest on all classes of long-term debt. This includes interest expense applicable to all portions of long-term debt which are classified as either current (Account 2000) or long-term (Account 2210) for balance sheet classification purposes.

**81.2 *Interest expense—capital leases.***

Record here for all capitalized leases, that portion of each lease payment which represents interest expense.

[ER-1013, 42 FR 37516, July 21, 1977]

**82 *Other Interest.***

(a) This account shall be subdivided as follows by all air carrier groups:

**82.1 *Interest Expense—Short-Term Debt.***

Record here interest on all classes of short-term debt.

**83.1 *Imputed Interest Capitalized—Credit.***

Record here credits related to imputed interest capitalized and recorded in asset accounts.

**83.2 *Imputed Interest Deferred—Debit.***

Record here debits related to imputed interest deferred in balance sheet account 2390, Other deferred credits.

**83.3 *Imputed Interest Deferred—Credit.***

Record here periodic credits for imputed interest, cleared to this account as the amount of such interest in the asset accounts is amortized.

**83.4 *Interest Capitalized—Credit.***

Record here interest which is capitalized and recorded in asset accounts.