10 Automobiles and Listed Property

Tab 10 Contents

Vehicle Depreciation Limitations (Section 280F) **10-1**
Section 179 Limits **10-1**
Automobile Expenses **10-1**
Common Elections **10-1**
Standard Mileage Rate **10-1**
Heavy Highway Vehicle Tax Rate **10-1**
Business Autos **10-2**
Transportation vs. Travel 10-2
Commuting 10-2
Office in the Home—Commuting Exception 10-3
Standard Mileage Rate vs. Actual Expenses **10-3**
Standard Mileage Rate Method 10-3
Actual Expense Method 10-4
Auto Depreciation Limits (Section 280F) **10-4**
Qualified Nonpersonal-Use Vehicles 10-5
MACRS Depreciation on Business Autos **10-6**
Depreciation After End of Recovery Period 10-6
Converting Personal-Use Auto to Business Use 10-7
Converting Business-Use Auto to Personal Use 10-7
Depreciation Recapture 10-7
Sale of Business Auto 10-7
Leased Autos 10-8
Listed Property **10-8**
Depreciation for Listed Property 10-9
Recordkeeping for Listed Property 10-9
Reporting Listed Property 10-10
Heavy Highway Vehicle Use Tax **10-10**
Lease Inclusion Table **10-10**

New for 2024

- **Standard mileage rates.** The standard mileage rates have changed due to inflation. See *Standard Mileage Rate* chart, below.

Common Elections

- Election out of the special depreciation allowance, page 10-5.
- Election to use the safe harbor method of accounting for determining depreciation for autos that qualify for 100% first-year special depreciation, page 10-6.

Standard Mileage Rate (page 10-3)

	2024	*2023*	*2022*	*2021*
Business*	67.0¢	65.5¢	Before 7/1 ... 58.5¢ After 6/30 .... 62.5¢	56.0¢
Medical and moving**	21.0¢	22.0¢	Before 7/1 ... 18.0¢ After 6/30 .... 22.0¢	16.0¢
Charitable	14.0¢	14.0¢	14.0¢	14.0¢
Depreciation	30.0¢	28.0¢	26.0¢	26.0¢

* The deduction for unreimbursed employee business travel is suspended unless allowed in determining adjusted gross income.
** The deduction for moving expenses is suspended except for certain members of the Armed Forces.

Vehicle Depreciation Limitations (Section 280F) (page 10-4)

Note: Instead of the special depreciation allowance for automobiles, an increased first-year depreciation limit applies. The lower first-year depreciation limits apply if the taxpayer elects out of special depreciation.

Tax year first placed in service:	*2024*	*2023*	*2022*	*2021*	*2020*	*2019*
Vehicle depreciation limitations based on 100% business or investment use. If less than 100%, multiply by business or investment use percentage.						
1st year with special depreciation.	$20,400	$20,200	$19,200	$18,200	$18,100	$18,100
1st year with special depreciation—vehicle acquired before September 28, 2017.	n/a	n/a	n/a	n/a	n/a	$14,900
1st year depreciation (with election out of special depreciation).	$12,400	$12,200	$11,200	$10,200	$10,100	$10,100
2nd year depreciation.	$19,800	$19,500	$18,000	$16,400	$16,100	$16,100
3rd year depreciation.	$11,900	$11,700	$10,800	$9,800	$ 9,700	$ 9,700
4th year depreciation and all subsequent years.	$7,160	$6,960	$6,460	$5,860	$ 5,760	$ 5,760

Section 179 Limits (page 10-5)

	2024	*2023*	*2022*	*2021*	*2020*	*2019*
Regular 179 limits	$1,220,000	$1,160,000	$1,080,000	$1,050,000	$1,040,000	$1,020,000
SUV limits	$30,500	$28,900	$27,000	$26,200	$25,900	$25,500
Investment phaseout begins	$3,050,000	$2,890,000	$2,700,000	$2,620,000	$2,590,000	$2,550,000

Automobile Expenses (page 10-4)

- Depreciation
- Licenses
- Gas
- Oil
- Tolls
- Lease payments
- Insurance
- Garage rent
- Parking fees
- Registration fees
- Repairs
- Tires
- Interest on loan (self-employed only)

Heavy Highway Vehicle Tax Rate (page 10-10)

Taxable gross weight:	*Rate of tax:*
At least 55,000 pounds, but not over 75,000 pounds	$100 per year plus $22 for each 1,000 pounds (or fraction thereof) in excess of 55,000 pounds.
Over 75,000 pounds	$550

These tax rates apply to heavy highway vehicles that are not logging vehicles.

Business Autos

Cross References

- IRS Pub. 463, *Travel, Gift, and Car Expenses*
- Reg. §1.162-2
- Rev. Proc. 2024-13
- Rev. Rul. 99-7

Related Topics

- Business Use of Home, page 5-13
- Meals, Entertainment, Travel, and Lodging, page 8-8
- Depreciation, Tab 9
- Vehicle Credits, page 11-17

Business Autos

A taxpayer who uses his or her auto for business purposes may generally use one of the two following methods to compute deductible expenses.

- Standard mileage rate, or
- Actual car expenses.

See *Standard Mileage Rate vs. Actual Expenses,* page 10-3.

Employee business use of auto. The deduction for using an auto as an employee is not currently allowed for most taxpayers due to the suspension of miscellaneous itemized deductions that are subject to the 2% AGI limit. These expenses have been suspended for tax years beginning after December 31, 2017, and before January 1, 2026. Reimbursements under accountable plans are still allowed. See *Accountable/Nonaccountable Plans,* page 8-11.

Exceptions: Deductions for expenses that are deductible in determining adjusted gross income are not suspended. For example, Armed Forces reservists, qualified performing artists, and fee-basis state or local government officials are allowed to deduct unreimbursed employee travel expenses as an adjustment to total income on Schedule 1 (Form 1040). Also allowed are expenses for self-employed taxpayers who report income and expenses on Schedules C, E, or F.

Leased autos. If a taxpayer uses actual expenses to compute the deduction for a leased auto, additional rules affect the amount of lease payments that can be deducted. See *Leased Autos,* page 10-8.

Definition of auto. For depreciation purposes, an auto or automobile is any four-wheeled vehicle (including a truck or van) made primarily for use on public streets, roads, and highways. Its unloaded gross vehicle weight must not be more than 6,000 pounds. An auto includes any part, component, or other item physically attached to it or usually included in the purchase price.

An auto does not include:

- An ambulance, hearse, or combination ambulance-hearse used directly in a business,
- A vehicle used directly in the business of transporting persons or property for pay or hire, or
- A truck or van that is a qualified nonpersonal-use vehicle.

An auto does not include a vehicle that by its nature is not likely to be used more than a minimal amount for personal purposes. See *Qualified Nonpersonal-Use Vehicles,* page 10-5.

Transportation vs. Travel

For tax purposes, the term "transportation" refers to business expenses of getting from one place to another within the city or metropolitan area that is the taxpayer's tax home.

The term "travel" refers to business expenses incurred while a taxpayer travels to an area outside his or her tax home for business purposes. For more information, see *Travel and Lodging,* page 8-10.

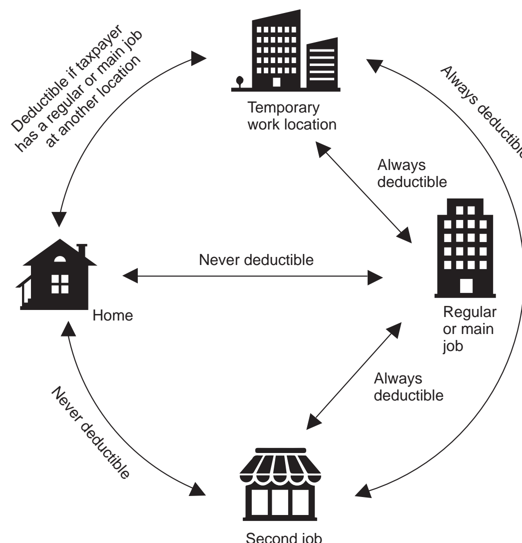
When Are Transportation Expenses Deductible?

Most self-employed taxpayers can use this chart. Do not use this chart if the taxpayer's home is the principal place of business. See *Office in the Home—Commuting Exception,* page 10-3.

Home. Home is the place where a taxpayer resides. Transportation expenses between home and the main or regular place of work are personal commuting expenses and are not deductible. A taxpayer can have more than one regular work location on different days.

Temporary work location. A temporary work location is a place where the taxpayer's work assignment is realistically expected to last, and does in fact last, one year or less. If the taxpayer does not have a regular or main work location, transportation to a temporary work location is considered nondeductible commuting unless the temporary work location is outside the taxpayer's metropolitan area.

Second job. If a taxpayer regularly works at two or more places in one day, whether or not for the same employer, deduct transportation expenses of getting from one work place to another. If the taxpayer does not go directly from a first job to a second job, only deduct transportation expenses of going directly from a first job to a second job. Do not deduct transportation costs between home and a second job on a day off from the main job.



Commuting

Commuting includes transportation between the taxpayer's home and regular workplace. Commuting expenses are not deductible no matter how far the taxpayer's home is from his or her regular workplace. A taxpayer can have more than one regular workplace, but will have only one commuting trip from home and one commuting trip back to home each day.

Example: Byron is self-employed. Sometimes Byron works at Warehouse A during the week, and sometimes he works at Warehouse B. His trip to either warehouse is nondeductible commuting, as is his trip home after work. However, if Byron goes to work at Warehouse A, then drives to Warehouse B, then drives home from Warehouse B after work, only the first and last trips are nondeductible commuting. The trip from Warehouse A to Warehouse B while at work is deductible as a business expense.

Attempts to make commuting deductible. A taxpayer cannot make commuting expenses deductible by working during the trip, displaying advertising on the vehicle, or hauling tools or supplies.

Example: Savannah is self-employed and drives 12 miles from her home to her office and back each work day. She has her company logo, slogan, and phone number on her car, and she often makes hands-free calls to her clients along the way. Although Savannah may be able to deduct expenses for advertising and business cell phone expenses, the costs of driving to and from her office each day are costs of commuting and are not deductible.

Temporary workplace. If the taxpayer has one or more regular work locations away from his or her home, the costs of transportation to a temporary work location are deductible regardless of distance. (Rev. Rul. 99-7)

Example: Michael is a self-employed merchandise representative for stores within the metropolitan area where he lives. Each day Michael drives to one of three different stores in the area to work. The three stores are regular work locations and the transportation expenses from Michael's home to those locations are nondeductible commuting. On occasion Michael starts out his day driving to a customer's home before driving to his regular work location. The customers' homes are considered temporary workplaces, not commuting, so the costs of driving from Michael's home to the customers' homes are deductible.

No regular place of work. If the taxpayer has no regular place of work in the city or metro area where he or she lives, transportation expenses to temporary work locations are considered commuting expenses and are not deductible. However, travel expenses outside the metro area may be deductible. See *Travel and Lodging,* page 8-10.

Couriers and ridesharing. Couriers and ridesharing are two examples where individuals may not have regular work locations to start their days. Because there is no regular work location, the costs of driving to their first stop, and driving from their last stop home, are commuting and are not deductible.

Example: Brett is a self-employed courier. He does not have a qualifying home office. In the morning he signs on from home with his dispatcher. The dispatcher gives Brett several addresses to pick up packages for delivery around his metro area. His first stop is four miles away from his home, and his last stop is six miles away from his home. Brett's total mileage for the day is 75 miles. His business use mileage is 65 miles, since his first and last stops are nondeductible commuting mileage.

Parking. If the trip is nondeductible, the parking is nondeductible. For example, if the trip is commuting to work, the parking at the work site is nondeductible.

Union members. If a worker gets an assignment at a union hall, then goes to the work site, the cost of transportation from the union hall to the work site is considered commuting and is not deductible.

Two places of work. If a taxpayer commutes from home to a work location, then drives from that location to another business location such as a second job, the trip between jobs may be deductible business mileage. In this case, the last trip home would be considered commuting.

Office in the Home—Commuting Exception

One of the requirements for deducting expenses for business use of the home is that the home satisfies the "principal place of business" test. If the home is the principal place of business for the taxpayer, there are no commuting miles. In this case, transportation expenses of going between the residence and other work locations in the same trade or business qualify for a deduction as business transportation expenses.

Factors considered in determining whether the taxpayer's home is the principal place of business include the relative importance of the activities performed and the amount of time spent at each place where business is conducted. A home office meets the principal place of business test if the taxpayer uses it exclusively and regularly for administration and management activities, and the taxpayer has no other fixed location where substantial administrative or management activities are conducted. See *Business Use of Home,* page 5-13.

Court Case: The taxpayer worked as a hospitalist for a medical center. Her basement was designated as a home office and used solely for that purpose. She used the home office to take calls related to meetings she attended, complete online seminars for continuing medical education, and provide necessary follow-up on patient care. The taxpayer claimed a deduction for mileage from her home office to the hospital. There was no evidence that the home office was used for substantial administrative activities. The Tax Court determined that her principal place of business was the hospital where she treated patients and the deduction for mileage was disallowed. (*Gambhir,* T.C. Summary 2020-4)

Standard Mileage Rate vs. Actual Expenses

Cross References

- IRS Pub. 463, *Travel, Gift, and Car Expenses*
- IRS Pub. 946, *How to Depreciate Property*
- IRC §280F, *Limitation on depreciation for luxury automobiles; limitation where certain property used for personal purposes*

Related Topics

- Rental Expenses, page 7-4
- Meals, Entertainment, Travel, and Lodging, page 8-8
- Depreciation, Tab 9

Standard Mileage Rate Method

Instead of deducting the actual expenses of business use of an automobile, a taxpayer can use the standard mileage rate method.

The standard mileage rate for 2024 is 67¢ per mile.

For prior years, see *Standard Mileage Rate* chart, page 10-1.

Costs included in the standard mileage rate. The standard mileage rate can be used as a substitute for actual expenses for the following items.

- Depreciation.
- Lease payments.
- Maintenance and repairs.
- Gas and oil.
- Insurance.
- Vehicle registration fees.

Costs not included in the standard mileage rate. The following expenses are deductible in addition to the standard mileage rate.

- Interest expense on an auto loan.
- Personal property taxes.
- Parking fees and tolls.

Interest. The business-use percentage of interest on a loan used to purchase a vehicle may be included in addition to the standard mileage rate. Employees cannot deduct interest paid on a car loan.

Personal property taxes. The business-use percentage of state and local personal property taxes on motor vehicles can be deducted in addition to the standard mileage rate. See *Personal Property Taxes,* Tab 4.

Parking fees and tolls. In addition to the standard mileage rate, a taxpayer can deduct any business-related parking fees and tolls. Fees paid to park at a regular place of work and tolls going to and from are considered part of a taxpayer's commute and are not deductible. See *Commuting,* page 10-2.

Choosing the standard mileage rate. To use the standard mileage rate for an automobile owned by the taxpayer, the standard mileage rate must be used in the first year the auto is available for use in the taxpayer's business. In subsequent years the taxpayer can choose to use either the standard mileage rate or actual expenses.

The choice to use the standard mileage rate must be made by the due date of the tax return, including extensions. Once made, the choice cannot be revoked, although taxpayers can switch to actual expenses in later years. For more information, see IRS Pub. 463, *Travel, Gift, and Car Expenses.*

Leased vehicle. To use the standard mileage rate for a leased vehicle, the taxpayer must use the standard mileage rate for the entire lease period.

Depreciation component of standard mileage rate. For computing the taxpayer's basis in an automobile, the standard mileage rate has a component that represents depreciation. For 2024, the depreciation component is 30¢ per mile. See *Sale of Business Auto,* page 10-7.

If the actual expense method is used in any year after the standard mileage rate method has been used, the straight-line method of depreciation must be used. (Rev. Proc. 2006-49)

Depreciation Component of the Standard Mileage Rate

Year	2024	2023	2022	2021	2020
Rate per mile	30¢	28¢	26¢	26¢	27¢

Note: These rates do not apply for any year in which the actual expense method was used.

Depreciation beyond zero. The taxpayer must reduce the basis of an automobile by the depreciation component of the standard mileage rate, but the basis cannot go below zero. If the depreciation component of the standard mileage rate exceeds the adjusted basis of the automobile, the automobile is considered fully depreciated, but this does not prevent the taxpayer from continuing to claim the full amount of the standard mileage rate. The depreciation component is used only to compute gain or loss if the vehicle is sold or computing depreciation when switching from the standard mileage rate to the actual expenses method.

Recordkeeping. Since passenger autos are considered listed property under the Internal Revenue Code, certain recordkeeping requirements must be met. See *Recordkeeping for Listed Property,* page 10-9.

Cars for hire. The standard mileage rate can be used for automobiles used for hire, such as a taxi or ridesharing arrangement.

Who cannot use the standard mileage rate method? The standard mileage rate method cannot be used if the taxpayer:

- Uses five or more automobiles at the same time for business, such as in a fleet operation.
- Claimed a depreciation deduction for the automobile using any method other than straight-line depreciation over its estimated useful life.
- Claimed a Section 179 deduction on the vehicle.
- Claimed actual expenses for an automobile that is leased.
- Claimed a special depreciation allowance on the vehicle.
- Has an employer-provided business auto and unreimbursed auto expenses.

Author's Comment: The five-or-more automobiles limit does not apply when a taxpayer uses different autos at different times. The test applies when five autos are used at the same time. For example, selling an auto and replacing it with a new one counts as only one auto for purposes of this test.

Rural mail carriers. Rural mail carriers who receive a qualified reimbursement for expenses cannot use the standard mileage rate. In addition, for tax years beginning after 2018 and before 2026, miscellaneous itemized deductions subject to the 2% AGI limitation are not allowed for unreimbursed expenses.

Actual Expense Method

Instead of using the standard mileage rate method for computing business automobile expenses, a taxpayer can use the actual expense method. If the actual expense method is chosen for the first year the vehicle is used for business, the actual expense method must be used for all subsequent years.

If the taxpayer chooses the standard mileage rate in the first year the car is available for use in the taxpayer's business, the taxpayer can choose to use either the standard mileage rate or actual expenses in later years.

Costs Included in Actual Automobile Expenses

• Depreciation	• Lease payments	• Registration fees
• Licenses	• Insurance	• Repairs
• Gas	• Garage rent	• Tires
• Oil	• Parking fees	• Interest on loan (self-employed only)
• Tolls		

Sales tax. Generally, sales taxes on the auto are part of the auto's basis and are recovered through depreciation. See *MACRS Depreciation on Business Autos,* page 10-6.

Nondeductible expenses. Fines for traffic violations are never deductible, even if incurred while driving for business.

Business percentage. If the actual expense method is used, the taxpayer must calculate the business use percentage of the vehicle. The taxpayer must keep records of the total miles driven and the business miles driven to determine the business use percentage. See *Recordkeeping for Listed Property,* page 10-9.

Auto Depreciation Limits (Section 280F)

Cross References

- Form 4562, *Depreciation and Amortization*
- Form 4797, *Sales of Business Property*
- IRS Pub. 463, *Travel, Gift, and Car Expenses*
- IRC §280F, *Limitation on depreciation for luxury automobiles; limitation where certain property used for personal purposes*

Related Topics

- Sales of Business Property (Form 4797), page 6-16
- Local transportation expenses, page 7-4
- Depreciation, Tab 9

Section 280F Depreciation Limits

Annual limits for depreciation apply to most passenger automobiles, trucks, and vans. These limits are referred to in Internal Revenue Code section 280F as "luxury auto limits."

The annual section 280F depreciation limit is reduced based on the business use percentage of the vehicle. Limits apply for subsequent years based on the year the vehicle was placed in service. See *Vehicle Depreciation Limitations (Section 280F),* page 10-1.

Passenger autos. For purposes of the section 280F limitations, a passenger auto, truck, SUV, or van includes any four-wheeled vehicle that is made primarily for use on public streets and highways. A passenger auto also includes any component or other item that is physically attached to the automobile or is included in the purchase price. Autos over 6,000 pounds unloaded gross vehicle weight and truck and vans over 6,000 pounds gross vehicle

weight are not categorized as passenger autos and are not subject section 280F limits, but may be subject to special Section 179 limits if under 14,000 pounds gross vehicle weight. See *Limit for sport utility and certain other vehicles,* next column.

Depreciation methods and recovery period. Passenger autos are depreciated over a 5-year recovery period under one of the following methods.

- 200% declining-balance (200DB) method.
- 150% declining-balance (150DB) method.
- Straight-line (SL) method.

The DB methods switch to the SL method when that method provides an equal or greater deduction. Using the SL method provides equal yearly deductions throughout the recovery period, whereas the DB methods provide greater deductions during the earlier recovery years.

Combined depreciation limits. The combined first-year limit on depreciation, special depreciation, and the Section 179 deduction for vehicles placed in service in 2024 is $20,400. If the taxpayer elects not to claim the special depreciation allowance, the first-year limit is $12,400. For prior years, see *Vehicle Depreciation Limitations (Section 280F)* chart, page 10-1.

Section 179. The higher limit does not apply to the Section 179 deduction. For 2024, the combined Section 179 deduction and regular depreciation cannot exceed $12,400 for the first year.

50% business use. Vehicles are listed property. For vehicles used more than 50% for business, depreciation using the 200DB method over five years is available, as well as the Section 179 deduction and special depreciation allowance. Vehicles used 50% or less for business must be depreciated using the alternative depreciation system (ADS), which is straight-line depreciation, also over five years. See *Computing Depreciation,* page 9-2.

If taxpayer uses a vehicle 50% or less for business, the taxpayer is not eligible to claim the special depreciation allowance. Therefore, the first-year depreciation allowance for vehicles used 50% or less for business is limited to $12,400, rather than the higher limit of $20,400.

Vehicle placed-in-service date. For vehicles used 100% for personal purposes then converted to business use in a later year, the placed-in-service date is different for the Section 179 deduction or special depreciation allowance and regular depreciation.

For purposes of the Section 179 deduction or special depreciation, a newly-acquired vehicle is considered to be placed in service whether it is used for personal purposes, business, or production of income. If a vehicle is used 100% for personal purposes in the year of acquisition, the Section 179 deduction and special depreciation are not available in subsequent years.

For regular depreciation, if an auto is used 100% for personal purposes in the year of acquisition, but is converted to business use in a later year, the auto is considered to be placed in service in the year first used for business.

Example: In 2023, Jennie purchased a vehicle which she used 100% for personal purposes during the year. In 2024, Jennie began using the vehicle for business. Jennie cannot claim the Section 179 deduction or special depreciation allowance in 2024 because her vehicle is considered to have been placed in service in 2023. However, her vehicle is considered to have been placed in service in 2024 for purposes of regular depreciation.

Section 179 deduction and special depreciation for autos. Since the Section 179 deduction and special depreciation allowance are applied before determining regular depreciation under MACRS, those allowances must be considered as part of the computation to keep the deductions below section 280F limits.

Limit for sport utility and certain other vehicles. For sport utility (SUV) and certain other vehicles, the Section 179 deduction is limited to $30,500 (2024). This rule applies to any four-wheeled vehicle primarily designed or used to carry passengers over public streets, roads, or highways, that is rated at more than 6,000 pounds gross vehicle weight and not more than 14,000 pounds gross vehicle weight. However, the $30,500 limit does not apply to any vehicle:

- Designed to have a seating capacity of more than nine persons behind the driver's seat,
- Equipped with a cargo area (either open or enclosed by a cap) of at least six feet in interior length that is not readily accessible directly from the passenger compartment, or
- That has an integral enclosure fully enclosing the driver compartment and load carrying device, does not have seating rearward of the driver's seat, and has no body section protruding more than 30 inches ahead of the leading edge of the windshield.

Depreciation limits—standard mileage rate. The limitations of section 280F do not apply to the depreciation component of the standard mileage rate. For example, if a taxpayer places a vehicle in service in 2024, uses the standard mileage rate, and drives 45,000 miles for business, the depreciation component would be $13,500 (45,000 × 30¢). The full standard mileage rate is allowed, even though the depreciation component is more than the annual luxury auto limit of $12,400.

Qualified Nonpersonal-Use Vehicles

Qualified nonpersonal-use vehicles are, by their nature, not likely to be used more than a minimal amount for personal purposes and are not subject to depreciation limits. They can include vehicles listed under *Vehicles not subject to section 280F,* below, and can also include trucks and vans that have been modified, such as by installation of permanent shelving and painting the vehicle to display advertising or the company's name.

Vehicles not subject to section 280F. The following vehicles are not subject to the depreciation limitations under section 280F or any of the other listed property rules.

- Clearly-marked police and fire vehicles.
- Unmarked vehicles used by law enforcement officers if the use is officially authorized.
- Ambulances and hearses, used as such.
- Any vehicle with a loaded gross vehicle weight of over 14,000 pounds that is designed to carry cargo.
- Bucket trucks (cherry pickers), cement mixers, dump trucks, garbage trucks, flatbed trucks, and refrigerated trucks.
- Combines, cranes and derricks, and forklifts.
- Delivery trucks with seating only for the driver, or only the driver plus a folding jump seat.
- Qualified specialized utility repair trucks.
- Tractors and other special purpose farm vehicles.
- Qualified moving vans.
- School buses used in transporting students and employees of schools.
- Other buses with a capacity of at least 20 passengers that are used as passenger buses.

Note: Although an auto, truck, SUV, or van rated over 6,000 pounds is not subject to the section 280F depreciation limits, the vehicle's business use must still be over 50% to claim the Section 179 deduction or the special depreciation allowance. See *MACRS Depreciation on Business Autos,* page 10-6. The vehicle may also be considered listed property for recordkeeping purposes. See *Listed Property,* page 10-8.

MACRS Depreciation on Business Autos

Cross References

- Form 4562, *Depreciation and Amortization*
- Form 4797, *Sales of Business Property*
- IRS Pub. 544, *Sales and Other Dispositions of Assets*
- IRC §280F, *Limitation on depreciation for luxury automobiles; limitation where certain property used for personal purposes*

Related Topics

- Sales of Business Property (Form 4797), page 6-16
- Depreciation, Tab 9

MACRS Depreciation on Business Autos

A business auto is listed property. Therefore, to claim accelerated depreciation (200DB), the Section 179 deduction, or the special depreciation allowance, the vehicle must be used more than 50% for business.

50% or less. If the vehicle is used 50% or less for business, the straight-line method under ADS must be used. The more-than-50%-business-use rule applies to each year of the recovery period.

If a vehicle that was previously used more than 50% for business drops to 50% business use or less in a later year, excess depreciation may need to be recaptured. See *Depreciation Recapture,* page 10-7.

Recovery period. The recovery period for automobiles is five years whether using GDS or ADS.

Investment use. Depreciation is allowed for business use and for investment use, such as rental property. However, the more-than-50% rule applies to business use only. Investment use does not count toward meeting the more-than-50% test.

Example: Bill used his car 45% for business and 25% for his rental property in 2024. He must use straight-line depreciation because business use is 50% or less. However, his total depreciation allowed for the year is based on 70% usage (45% + 25%). He allocates the depreciation between his Schedule C (Form 1040) for business and Schedule E (Form 1040) for rental income and expenses.

Depreciation After End of Recovery Period

For most property, depreciation is not available after the MACRS recovery period because the taxpayer is considered to have used the property 100% for business and investment purposes during the recovery period. Because of the annual depreciation limitations for luxury automobiles under section 280F, a special provision allows depreciation to continue after the recovery period for any unused business basis remaining. [IRC §280F(a)(1)(B)]

Unrecovered basis. The unrecovered basis equals the adjusted basis of the vehicle minus depreciation that would have been allowable if the auto was used 100% for business. Depreciation is allowed in each succeeding tax year until the full business basis in the auto is recovered. The maximum amount deductible each year is determined by the date the auto is placed in service and the business-use percentage.

Example #1: In May 2019, Jill bought and placed in service a car that cost $60,000. The car's MACRS recovery period is five years. Jill did not elect a Section 179 deduction and elected out of the special depreciation allowance. She used the car 100% for business for the entire recovery period, from 2019 through 2024.

Because of the 280F limits, Jill was not able to recover the entire basis in the car by the end of the MACRS recovery period.

Year	*Percentage*	*Amount*	*280F Limit*	*Allowed*
2019	20.00%	$12,000	$10,100	$10,100
2020	32.00%	19,200	$16,100	16,100
2021	19.20%	11,520	$9,700	9,760
2022	11.52%	6,912	$5,760	5,760
2023	11.52%	6,912	$5,760	5,760
2024	5.76%	3,456	$5,760	5,760
Total	100.00%	$60,000		$50,876

At the end of 2024, Jill's remaining business basis in the car is $9,124 ($60,000 – $50,876). If Jill continues to use the car for 100% business in 2025 and future years, she can deduct the lesser of $5,760 or the remaining basis. Note that the $5,760 limit is reduced by the personal-use percentage if Jill uses the car less than 100% for business.

Example #2: Assume Jill's business use of the car was 60% rather than 100% for the years during the recovery period. Her depreciation allowed would have been only $30,526 during the recovery period ($50,876 × 60%), but she would have had to reduce her basis by the entire $50,876. Her remaining basis would have been $9,124, the same as if she had used the car 100% for business.

New for 2024 **Special depreciation allowance.** The 100% special depreciation allowance is phasing out for tax years beginning after 2022. The special depreciation allowance for vehicles placed in service in 2024 is 60%. The IRS previously issued a safe harbor that allowed taxpayers to claim depreciation during each year of a vehicle's recovery period when 100% special depreciation was claimed and section 280F limits were exceeded (tax years 2018–2022). A similar safe harbor has not yet been published relating to the current 60% limit. For any new information see What's New, Tab 1.

100% special depreciation allowance (tax years 2018–2022). When the 100% special depreciation allowance was claimed, the normal depreciation deduction for the following years during the asset's recovery period was considered to be zero because the special depreciation allows a deduction of 100% of the cost of the asset. However, since section 280F limits the deduction to an amount less than 100% of the vehicle's cost, the rest of the vehicle's cost reverted to unrecovered basis status. See *Unrecovered basis,* previous column.

Safe harbor. In Rev. Proc. 2019-13, the IRS issued a safe harbor designed to correct this inequity. The safe harbor applied to a passenger auto, other than a leased passenger auto, that:

- Was acquired and placed in service after September 27, 2017,
- Was qualified property for which 100% special depreciation is allowable,
- Had an unadjusted depreciable basis exceeding the first-year limitation under section 280F, and
- The taxpayer did not elect to expense under Section 179.

<u>During recovery period.</u> The safe harbor allowed taxpayers to claim depreciation during each year of the auto's normal recovery period. The deduction was limited to the lesser of:

- The applicable annual limitation, or
- Depreciation computed using depreciation table percentages on the unadjusted basis of the auto reduced by the first-year limitation amount claimed.

<u>After recovery period.</u> Beginning with the first taxable year after the end of the recovery period, the deduction was the lesser of the:

- Applicable annual limitation, or
- Remaining adjusted depreciable basis.

Note: If business use of the passenger auto dropped to 50% or less in a subsequent year, this safe harbor method ceased to apply.

Making the safe harbor election. A taxpayer elected this safe harbor method of accounting by applying it to the second year of the auto's recovery period.

Converting Personal-Use Auto to Business Use

If a vehicle was used 100% for personal-use in its first year owned, then used at least partially for business in a later year, the basis for depreciation is the lesser of FMV or the adjusted basis of the vehicle on the date of conversion. For regular depreciation purposes, the vehicle is considered to be placed in service on the date of conversion. If the vehicle was acquired in a prior year, the Section 179 deduction and special depreciation allowance are not allowed.

Standard mileage rate. The lesser-of-FMV-or-adjusted-basis rule does not apply when the standard mileage rate is used.

Mileage records. Often, if a vehicle is converted from personal use to business use, mileage records are not kept for the period of time before the conversion. In this case, determine the business-use percentage for the year as follows.

1) Determine the business-use percentage for the period after the conversion.
2) Multiply the percentage from (1) by a fraction. The numerator is the number of months the vehicle is used for business, and the denominator is 12.

Example: Austin uses a car for personal purposes only for the first six months of the year. During the last six months of the year, Austin drives the car for a total of 15,000 miles of which 12,000 are for business. Austin's business use of the vehicle for the year is 40% (12,000 ÷ 15,000 = 80% × 6/12 = 40%).

Converting Business-Use Auto to Personal Use

If a vehicle is no longer used for business, it is not a taxable transaction until the vehicle is sold or otherwise disposed of.

Exception: If accelerated depreciation (200DB or 150DB), the Section 179 deduction, or the special depreciation allowance was claimed, and the vehicle is still within the MACRS recovery period, a drop in business use to 50% or less will trigger depreciation recapture.

Depreciation Recapture

The term "depreciation recapture" refers to the amount of gain that is treated as ordinary income upon the sale or other disposition of property. Depreciation may need to be recaptured if:

- The vehicle is sold or otherwise disposed of, or
- Business use of the vehicle drops to 50% or less.

Gain that is treated as capital gain is not depreciation recapture. See *Sale of Business Auto,* next column.

Business use drops to 50% or less. If a vehicle that was previously used more than 50% for business drops to 50% business use or less in a later year, excess depreciation must be recaptured. Excess depreciation includes:

- Accelerated depreciation (200DB or 150DB) in excess of depreciation calculated under the straight-line method.
- Any Section 179 deduction claimed.
- Any special depreciation allowance claimed.

The amount of excess depreciation that is recaptured is added to the vehicle's adjusted basis.

Self-employment tax on depreciation recapture. The amount of depreciation recaptured because business use of a vehicle dropped to 50% or less must be reported as ordinary income, and is also subject to self-employment tax. This depreciation recapture is reported on Part IV of Form 4797, *Sales of Business Property.*

Depreciation recaptured because of the sale of an automobile is treated as ordinary income, but is not subject to self-employment tax.

Reporting depreciation recapture. Depreciation recapture is first reported on Form 4797, *Sales of Business Property,* and is then carried to the related form or schedule. The path of reporting depreciation recapture depends on whether the depreciation was recaptured because business use dropped to 50% or less, or recaptured because the vehicle was sold.

Reporting depreciation recapture when vehicle is sold. Depreciation recapture due to the sale of a vehicle is reported on Part III, Form 4797. The gain flows through from Form 4797 and depreciation recapture is reported on Schedule 1 (Form 1040), *Additional Income and Adjustments to Income,* as ordinary income. Any remaining capital gain is reported on Schedule D (Form 1040), *Capital Gains and Losses.* See *Sales of Business Property (Form 4797),* page 6-16.

Reporting depreciation recapture when business use drops to 50% or less. Depreciation recapture due to business use falling to 50% or less is computed on Part IV, Form 4797, and is then carried to the form or schedule on which the depreciation was originally deducted. For a sole proprietor, depreciation recapture is carried to Schedule C (Form 1040) and reported as other income. Depreciation recaptured because business use dropped to 50% or less will also increase self-employment tax for the year of recapture.

Sale of Business Auto

If a vehicle used for business is sold, the portion of any gain that represents depreciation allowed or allowable, including the Section 179 expense and the special depreciation allowance, is recaptured as ordinary income. The amount recaptured is the lesser of the gain from the sale or the depreciation allowed or allowable.

Depreciation in year of sale. Under general MACRS rules, under the half-year convention, depreciation in the year of sale is generally 50% of the total MACRS deduction that would have been allowed if there was no sale. An exception is if the auto was originally placed in service under the mid-quarter convention rules. See *Conventions,* page 9-5.

Section 280F limit in year of sale. The depreciation limitation under section 280F in the year of sale is the same as if the auto was not sold during the year. Even if the half-year or mid-quarter convention applies, the full section 280F limit is available.

Example: Edy purchased a car for $75,000 on June 1, 2022, and used it 90% for business in 2022, 2023, and 2024 before selling it on July 1, 2024.

Assume no Section 179 deduction or special depreciation allowance was claimed. Depreciation allowed or allowable is calculated as follows.

2022	$75,000 × 90% × 20% = $13,500	
	280F limit $11,200 × 90% = $10,080	$10,080
2023	$75,000 × 90% × 32% = $21,600	
	280F limit $18,000 × 90% = $16,200	16,200
2024	$75,000 × 90% × 19.2% × 50% = $6,480	
	280F limit $10,800 × 90% = $9,720	6,480
Total depreciation allowed or allowable		$32,760

Edy's basis for purposes of the sale equals $42,240 ($75,000 minus $32,760).

Business auto trade-in rules. Beginning in 2018, personal property, including vehicles, is not covered under the like-kind exchange provisions. Trade-in of a vehicle is reported as two transactions, the sale of the old vehicle and the purchase of a new one.

Example: Carlos traded in his old car for a new one on July 1, 2024. He originally purchased the old car for $30,000 on June 1, 2022, and did not elect out of special depreciation so that he could claim the higher first year limit under section 280F. Carlos used the old car 80% for business in 2022, 2023, and 2024. Carlos's new car cost $50,000. The dealer gave Carlos an allowance of $15,000 on his old car.

Old car:

Original basis	$30,000
Special depreciation – first year	(19,200)
Depreciable basis starting in second year	$10,800

2022	280F limit with special depreciation $19,200 × 80% = $15,360	$15,360
2023	$10,800 × 80% × 32% = $2,765 280F limit = $18,000 × 80% = $14,400	2,765
2024	$10,800 × 80% × 19.2% × 50% = $829 280F limit = $10,800 × 80% = $8,640	829

Total depreciation claimed	$18,954
Basis at trade in [($30,000 × 80%) – $18,954]	$5,046
Gain on sale reported on Part III, Form 4797 [($15,000 × 80%) – $5,046]	$6,954

Gain up to the amount of depreciation, $6,954, carries from Form 4797 to Schedule 1 (Form 1040), *Additional Income and Adjustments to Income,* as ordinary income from depreciation recapture. Gain greater than the depreciation recapture carries to Schedule D (Form 1040), *Capital Gains and Losses,* as a capital gain.

New car:

If Carlos uses his new car for business, his beginning basis is $50,000. Basis and depreciation for the new car are unrelated to the old car.

Leased Autos

The standard mileage rate is allowed for leased vehicles. If chosen, the standard mileage rate must be used for the first year placed in service and continued for the entire lease term.

If the taxpayer uses the actual expense method, the business percentage of each lease payment is allowed as a current deduction.

Lease down payment. The deduction for the down payment on business use of a leased vehicle is amortized over the lease term.

Example: Rico is a sole proprietor. He leased a car to use 100% for business. The lease term is 36 months and Rico put a down payment of $2,500 toward the lease. His monthly lease payments are $450. Rico will use the actual expense method for deducting his auto expenses. Rico deducts $519 per month as a lease expense.

$2,500 down payment ÷ 36 months	$69
Monthly lease payment	450
Monthly lease expense	$519

Lease inclusion amount. To apply the section 280F limits to leased vehicles, the taxpayer's expense for lease payments must be reduced. Although this reduction is called a "lease inclusion amount," the amount must be subtracted from total lease payments made. This provision applies to vehicles leased for a term of 30 days or more, with a cost greater than $62,000 (2024).

For each tax year during the lease, determine the lease inclusion amount using the following steps.

1) Find the yearly inclusion amounts from the *Lease Inclusion Table,* page 10-10, based on the FMV of the vehicle on the first day of the lease term.
2) Prorate the dollar amount shown by the number of days of the lease term included during the tax year.
3) Multiply the amount from (2) by the business percentage for the year. Subtract this amount from the lease payments made during the year to determine the allowable deduction for lease payments.

Example: Amber is a sole proprietor. She leased a car on January 17, 2024, and her first monthly lease payment is on February 1. The lease term is 36 months, and the FMV of the car is $79,500. Amber uses the car 75% for business each year. Her lease payment is $585 per month.

Using the *Lease Inclusion Table,* page 10-10, Amber computes her lease inclusion amounts for each year as follows.

Tax Year	*Table Amount*	*Proration*	*Business Percentage*	*Inclusion Amount*
2024	$118	349/366	75%	$84
2025	$259	365/365	75%	$194
2026	$385	365/365	75%	$289
2027	$385*	16/365	75%	$13

For 2024, the lease inclusion amount of $84 is subtracted from Amber's total lease payments reported as expenses on Schedule C (Form 1040).

Lease payments (11 × $585 × 75%)	$4,826
Lease inclusion amount	(84)
Lease expense deduction on Schedule C (Form 1040)	$4,742

* For the last year of the lease, use the lease inclusion amount for the preceding year.

Listed Property

Cross References

- Form 4562, *Depreciation and Amortization*
- IRS Pub. 946, *How to Depreciate Property*
- IRC §274(d), *Substantiation required*
- IRC §280F(d)(4), *Listed property*

Related Topics

- Schedule C Recordkeeping and Substantiation Rules, Tab 5
- Substantiating Meals, Travel, and Lodging, page 8-8
- Depreciation, Tab 9

Listed Property

Listed property is any of the following.

- Passenger automobiles weighing 6,000 pounds or less.
- Any other property used for transportation if the nature of the property lends itself to personal use, such as motorcycles, pickup trucks, sport utility vehicles (SUVs), etc.
- Property generally used for entertainment, recreation, or amusement (including photographic, phonographic, communication, and video recording equipment).

Exceptions: Listed property does not include:

1) Photographic, phonographic, communication, or video equipment used exclusively in a taxpayer's trade or business or at the taxpayer's regular business establishment,
2) An ambulance, hearse, or vehicle used for transporting persons or property for compensation or hire, or
3) Any truck or van that is a qualified nonpersonal-use vehicle. See *Qualified Nonpersonal-Use Vehicles,* page 10-5.

For purposes of the exceptions above, a portion of the taxpayer's home is treated as a regular business establishment only if that portion meets the requirements for deducting expenses attributable to the business use of a home [Reg. §1.280F-6(b)(3)(iii)]. See *Business Use of Home,* page 5-13.

Rules for Listed Property

Deductions for listed property (other than certain leased property) are subject to special rules and limits.

Deduction for employees. If the taxpayer's use of the property is not for his or her employer's convenience or is not required as a condition of employment, he or she cannot deduct depreciation or rent expenses for use of the property as an employee.

Note: For tax years 2018 through 2025, unreimbursed employee business expenses, including transportation and auto expenses, are not deductible as a miscellaneous itemized deduction. However, reservists, performing artists, and fee-based government officials may be entitled to an above-the-line deduction for these expenses on Schedule 1, (Form 1040). Reimbursements under accountable plans are still allowed. See *Accountable/Nonaccountable Plans,* page 8-11.

Business-use requirement. If the property is not used predominantly (more than 50%) for qualified business use, the taxpayer cannot claim the Section 179 deduction or a special depreciation allowance. In addition, the taxpayer must compute any depreciation deduction under the Modified Accelerated Cost Recovery System (MACRS) using the straight-line method over the ADS recovery period. Any excess depreciation claimed in previous years may have to be recaptured (included in income). A similar inclusion amount applies to certain leased property.

Qualified business use. Qualified business use of listed property is any use of the property in a taxpayer's trade or business. However, it does not include the following uses.

- The leasing of property to any 5% owner or related person, to the extent the property is used by a 5% owner or person related to the owner or lessee of the property.
- The use of property as pay for the services of a 5% owner or related person.
- The use of property as pay for services of any person other than a 5% owner or related person, unless the value of the use is included in that person's gross income and income tax is withheld on that amount where required.

5% owner. For a business entity that is not a corporation, a 5% owner is any person who owns more than 5% of the capital or profits interest in the business.

Recordkeeping. No deduction will be allowed for listed property that is not substantiated by adequate records. See *Recordkeeping for Listed Property,* next column.

Passenger automobile limits and rules. Annual limits apply to depreciation deductions (including the Section 179 deduction and any special depreciation allowance) for certain passenger automobiles. The deduction of any unrecovered basis resulting from these limits is continued after the end of the recovery period. See *Business Autos,* page 10-2.

Depreciation for Listed Property

Listed property must meet the predominant-use requirement, which means it must be used more than 50% in a qualified business, in order to claim the Section 179 deduction, the special depreciation allowance, or declining-balance depreciation. If the listed property is not used more than 50% for business, depreciation must be computed using the straight-line method over the asset's ADS recovery period. See *Alternative Depreciation System (ADS),* page 9-4.

Investment use of listed property. Although property used in an investment activity, such as for maintenance of rental property, may be eligible for cost recovery through depreciation, investment activity is not considered business use for purposes of the predominant-use requirement.

Example: Sarah uses videorecording equipment 50% of the time to manage her rental property. She also uses the videorecording equipment 40% of the time in her part-time consumer research business. Sarah does not use the videorecording equipment predominantly for qualified business use. Therefore, she cannot claim the Section 179 deduction, special depreciation allowance, or a declining-balance method for computing her deduction. She must depreciate the videorecording equipment using the straight-line method over the ADS recovery period. However, the combined business and investment use for determining the total depreciation deduction is 90%.

Recapture if business use falls to 50% or less. If listed property was used more than 50% in a qualified business, and the business use falls to 50% or less in a later year, the taxpayer must recapture the amount of depreciation in excess of what would have been deducted if the property was depreciated using the straight-line method over the ADS recovery period. See *Depreciation Recapture,* page 10-7.

Recordkeeping for Listed Property

No deduction will be allowed for business autos or other listed property unless the taxpayer can prove the business use with adequate records or sufficient evidence corroborating his or her own statements.

Required documentation. The records must support the amount, time and place, business purpose, and business relationship to the taxpayer. [IRC §274(d)]

Sampling. A taxpayer can maintain an adequate record for part of a tax year and use that record to support his or her business and investment use of listed property for the entire tax year if it can be shown by other evidence that the period is representative of the use throughout the year.

Example: Denise operates an interior decorating business. She uses her automobile for local business visits to the homes or offices of clients, for meetings with suppliers and subcontractors, and to pick up and deliver items to clients. There is no other business use of the automobile. She maintains adequate records for the first three months of the year showing that 75% of the automobile use was for business. Subcontractor invoices and paid bills show that her business continued at approximately the same rate for the rest of the year. If there is no change in circumstances, such as the purchase of a second car for exclusive use in her business, the determination that her combined business/investment use of the automobile for the tax year is 75% rests on sufficient supporting evidence.

Automobiles. Taxpayers using either the standard mileage rate method or the actual expense method must keep a record of total miles driven throughout the year as well as the business purpose and number of miles driven for business. One method is to use beginning and ending odometer readings. See *Standard Mileage Rate vs. Actual Expenses,* page 10-3.

Mileage logs. The mere existence of a mileage log is not sufficient if the entries are too generalized or not supported by other corroborating evidence.

Standard mileage rate method. In addition to the mileage records, taxpayers should keep substantiation for other deductible expenses such as auto loan interest, personal property taxes, parking fees, and tolls. See *Costs not included in the standard mileage rate,* page 10-3.

Actual expense method. In addition to mileage records, which will include the business purpose and destination, taxpayers should keep records showing the cost of the auto and any improvements along with the date business use began. Substantiate expenses by keeping an exact record of the amount paid for gasoline, repairs, insurance, etc. as well as the date of the expense.

Court Case: The taxpayer was employed by the United States Air Force as a medical facilitator. She also performed duties as an additional duty first sergeant (ADFS) and claimed a mileage deduction related to that work. Although she kept a self-prepared ledger documenting the business miles driven each month, the ledger entries did not clearly state a business purpose or indicate that the mileage expenses were unreimbursable costs incurred in connection with her ADFS duties rather than her daily commute. The court disallowed the taxpayer's mileage deduction. (*Struble,* T.C. Summary 2022-1)

Reporting Listed Property

Taxpayers must provide information about listed property in Part V, Form 4562, *Depreciation and Amortization,* if claiming either of the following deductions.

- Any deduction for a vehicle.
- A deprecation deduction for any other listed property.

Exception: If the taxpayer files Form 2106, *Employee Business Expenses,* or Schedule C (Form 1040), *Profit or Loss from Business,* and is not otherwise required to file Form 4562, report vehicle information on those forms and not on Form 4562.

Heavy Highway Vehicle Use Tax

Cross References

- Form 2290, *Heavy Highway Vehicle Use Tax Return*
- IRC §4481, *Imposition of tax*

Related Topics

- Truckers/Transportation Industry Chart, page 8-4

Use Tax Basics

A use tax is imposed on any highway motor vehicle which, together with the semitrailers and trailers customarily used in connection with highway motor vehicles of the same type, has a taxable gross weight of at least 55,000 pounds. The tax is imposed on the person in whose name the highway motor vehicle is registered (or required to be registered) under state, District of Columbia, Canadian, or Mexican law at the time of its first use.

Vehicle use tax. The tax year begins on July 1 and ends on June 30.

Exemptions. Highway motor vehicles operated by governmental units, the American Red Cross, volunteer fire departments, ambulance associations, rescue squads, mass transportation authorities, and certain vehicles not considered highway vehicles are exempt from the use tax. Vehicles not expected to be used more than 5,000 miles on public highways may claim a suspension from the tax.

Dyed fuel. Dyed diesel and kerosene fuel are not subject to the tax. Highway vehicles required to be registered are prohibited from using dyed fuel.

Heavy Highway Vehicle Tax Rate

Taxable gross weight:	***Rate of tax:***
At least 55,000 pounds, but not over 75,000 pounds	$100 per year plus $22 for each 1,000 pounds (or fraction thereof) in excess of 55,000 pounds.
Over 75,000 pounds	$550

These tax rates apply to heavy highway vehicles that are not logging vehicles.

Form 2290, *Heavy Highway Vehicle Use Tax Return*

The tax is paid by filing Form 2290 and its related schedules. Form 2290 must be filed for the month the taxable vehicle is first used on public highways during the current period. Each period begins July 1 and ends the following June 30. Form 2290 must be filed by the last day of the month following the month of first use. If the taxpayer first uses multiple vehicles in more than one month, then a separate Form 2290 must be filed for each month. The filing rules apply whether the taxpayer is paying the tax or reporting a suspension of tax. See the instructions for Form 2290 for more information on exemptions, prorations, filing requirements, logging vehicles, and agricultural vehicles.

Lease Inclusion Table

Inclusion amounts for passenger automobiles first leased in 2024 (Rev. Proc. 2024-13) (See *Leased Autos,* page 10-8)

Fair market value of auto		Tax year during lease					Fair market value of auto		Tax year during lease				
Over	Not Over	1st	2nd	3rd	4th	5th & Later	Over	Not Over	1st	2nd	3rd	4th	5th & Later
$62,000	$64,000	7	16	24	28	32	$120,000	$130,000	437	958	1,423	1,704	1,968
64,000	66,000	21	47	69	82	94	130,000	140,000	506	1,111	1,647	1,975	2,280
66,000	68,000	35	77	114	136	157	140,000	150,000	575	1,263	1,873	2,245	2,592
68,000	70,000	49	107	159	191	219	150,000	160,000	645	1,414	2,099	2,516	2,904
70,000	72,000	62	138	204	245	281	160,000	170,000	714	1,566	2,325	2,786	3,216
72,000	74,000	76	168	250	298	344	170,000	180,000	783	1,719	2,549	3,057	3,529
74,000	76,000	90	199	294	353	406	180,000	190,000	852	1,871	2,775	3,327	3,841
76,000	78,000	104	229	340	406	469	190,000	200,000	922	2,022	3,001	3,598	4,153
78,000	80,000	118	259	385	461	531	200,000	210,000	991	2,175	3,226	3,868	4,465
80,000	85,000	142	313	463	556	640	210,000	220,000	1,060	2,327	3,452	4,138	4,778
85,000	90,000	177	388	577	690	797	220,000	230,000	1,130	2,478	3,678	4,409	5,089
90,000	95,000	211	465	689	826	952	230,000	240,000	1,199	2,631	3,902	4,680	5,402
95,000	100,000	246	541	802	961	1,108	240,000	and over	1,268	2,783	4,128	4,950	5,714
100,000	110,000	298	655	971	1,163	1,343							
110,000	120,000	367	807	1,196	1,435	1,655							

Note: For the last year of the lease, use the dollar amount for the preceding year.

~ End ~