

HOW BIG IS YOUR TRUCK?

Bigger trucks equal bigger deductions



As children, we always dreamed of owning a big truck, but who knew as an adult, the size of the truck would offer more benefits than just bragging rights? If you are considering purchasing a new or used truck for your business, the weight and length of the truck will determine the amount you are able to deduct in the first year. And in this case, the bigger the better! To be able to deduct the full price of the truck, it must weigh over 6,000 pounds with a bed over 6 feet.

With the Senate and the House currently working on tax changes for 2017 and 2018, the safest tax planning strategy for asset purchases is to plan according to the current statutes. Although the proposed tax reform would increase the depreciation limits for 2017, there is no guarantee that it will pass before 2017 tax returns are due.

We are often asked what the first year depreciation is for automobile purchases. To simplify things, we've created the chart below that shows the maximum amounts that are eligible. If you are considering purchasing a new vehicle and have questions about what you will be able to deduct, contact us today at 601.326.1000.

FIRST YEAR DEPRECIATION	NEW	USED
Car	11,160	3,160
Lightweight Truck or Van	11,560	3,560
SUV on Truck Frame	25,000 + 50% of remaining cost	25,000
Truck over 6,000 lbs. with bed UNDER 6ft	25,000 + 50% of remaining cost	25,000
Truck over 6,000 lbs. with bed OVER 6ft	FULL PRICE	Full Price