



New SUV and Truck Guidelines Will Benefit Contractors

Construction companies typically own several SUVs and pick-up trucks as part of their fleet and should be aware of the new guidelines for deducting vehicles purchased strictly for business use. There is good news for business owners when it comes to deducting the purchases of large SUVs and trucks under the Tax Cuts and Jobs Act. Prior to tax reform, trucks had to weigh over 6,000 pounds with a bed over 6 feet to be fully deductible in the first year. Now under the new law, business owners can write off 100% of any new or used truck or SUV that weighs over 6,000 pounds, regardless of the length of the bed. It's important to keep in mind that if you plan to write off 100% of the vehicle, you must be able to prove it is being used solely for business purposes.

Other automobiles, such as cars, light-weight trucks and vans, are also deductible up to certain limits, which also increased under the Tax Cuts and Jobs Act. When considering what type of vehicle to purchase for your business, you'll want to consider the new guidelines to see which will offer the most benefit for your business. For questions about business vehicle deductions, [HORNE can help](#).

FIRST YEAR DEPRECIATION	PRIOR TO TAX REFORM		AFTER TAX REFORM	
	NEW	USED	NEW	USED
Car	11,160	3,160	18,000	18,000
Lightweight Truck or Van	11,560	3,560	18,000	18,000
SUV on Truck Frame	25,000 + 50% of remaining cost	25,000	FULL PRICE	FULL PRICE
Truck over 6,000 lbs. with bed UNDER 6 ft	25,000 + 50% of remaining cost	25,000	FULL PRICE	FULL PRICE
Truck over 6,000 lbs. with bed OVER 6 ft	FULL PRICE	FULL PRICE	FULL PRICE	FULL PRICE