NEW 2018 TAX GUIDELINES

GREATER BENEFITS FOR SMALL BUSINESSES

TRANSIT CARGO VAN

Deduct up to the entire purchase cost on your 2018 IRS tax return.[1]

(Applies to Trucks, with 6-ft. or longer bed length, and Cargo Vans rated over 6,000 lbs. GVWR)

POTENTIAL TAX BREAKS WHEN YOU BUY A NEW FORD COMMERCIAL VEHICLE

2018 Deduction Limit = $1,000,000 (one million dollars)
This deduction is good on new and used equipment, as well as off-the-shelf software. To take the deduction for tax year 2018, the equipment must be financed/purchased and put into service between January 1, 2018 and the end of the day on December 31, 2018.

2018 Spending Cap on equipment purchases = $2,500,000
This is the maximum amount that can be spent on equipment before the Section 179 Deduction available to your company begins to be reduced on a dollar for dollar basis. This spending cap makes Section 179 a true “small business tax incentive” (because larger businesses that spend more than $3.5 million on equipment won’t get the deduction.)

Bonus Depreciation: 100% for 2018
Bonus Depreciation is generally taken after the Section 179 Spending Cap is reached. Further, the bonus depreciation is 100% and is made retroactive to 9/27/2017 and good

COMMERCIAL VEHICLES BUILT Ford TOUGH

TRANSIT WAGON

Deduct up to $25,000 in the first year.[1]

Plus 100% Bonus Depreciation on any remaining balance, retroactive to 9/27/17 and good through 2022.

(Applies to Trucks, Vans and SUVs rated less than 6,000 lbs. GVWR)

TRANSIT CONNECT CARGO VAN and/or WAGON

Deduct up to $11,760 in the first year.[1]

Plus 100% Bonus Depreciation on any remaining balance, retroactive to 9/27/17 and good through 2022.

(Applies to Trucks, Vans and SUVs rated less than 6,000 lbs. GVWR)

SUPER DUTY®

Deduct up to the entire purchase cost on your 2018 IRS tax return.[1]

(Applies to Trucks, with 6-ft. or longer bed length, and Cargo Vans rated over 6,000 lbs. GVWR)

MEDIUM DUTY

Deduct up to the entire purchase cost on your 2018 IRS tax return.[1]

(Applies to Trucks, with 6-ft. or longer bed length, and Cargo Vans rated over 6,000 lbs. GVWR)

NOTE: The information supplied here is provided by your local Ford Dealer as a public service to its customers. It should not be construed as tax advice or as a promise of potential tax savings or reduced tax liability. Individual tax situations may vary. Federal rules and tax guidelines are subject to change. For more information about the Section 179 expense write-off or other business vehicle expense write-offs, you should consult your tax professional for complete rules applicable to your transaction and visit the Internal Revenue Website at www.irs.gov.

1.Under Section 179 of the Internal Revenue Code, Companies may be eligible to fully expense the cost of vehicles purchased for business use. Companies are limited to a maximum aggregate Section 179 deduction of $500,000 during a single tax year on all eligible property purchased. The $500,000 maximum is reduced if the Company spends more than $2,000,000 on capital expenditures (including vehicles) during the year. SUVs over 6,000 pounds GVWR are limited to a deduction of $25,000 under Section 179(b)(5) with the remaining basis in the vehicle depreciated under normal MACRS methods (including 50% bonus depreciation in the year placed in service). Passenger automobiles (other than trucks and vans) are limited to $11,160 of depreciation in the year of purchase with normal MACRS depreciation on the remaining basis in the vehicle in subsequent years. Trucks and vans that are considered passenger vehicles are limited to $11,560 of depreciation in the year of purchase with normal MACRS depreciation on the remaining basis in the vehicle in subsequent years. A vehicle is not a considered a passenger vehicle, and is thus not limited to the lower depreciation amounts, if it is considered a “qualified non-personal use vehicle”. Qualified non-personal use vehicles are vehicles that, by virtue of their nature or design, are not likely to be used more than a de minimis amount for personal purposes. Examples of qualified non-personal use vehicles include 1) a vehicle that can seat nine-plus passengers behind the driver’s seat, 2) a heavy non-SUV vehicle with a cargo area of at least six feet in interior length or 3) a vehicle with a fully-enclosed driver’s compartment/cargo area, no seating behind the driver’s seat, and no body section protruding more than 30 inches ahead of the leading edge of the windshield. For more information, see IRC Section 280F(d)(7), Income Tax Reg., Sec. 1.280F-6(c)(3)(iii), Income Tax Reg. Sec. 1.274-5T(k), and Revenue Ruling 86-97, and contact your tax advisor for details. Consult your tax advisor as to the proper tax treatment of all business-vehicle purchases.