

2019 | Depreciation Key Facts and Figures

ANNUAL CODE SEC. 280F “LUXURY CAR” LIMITS

CARS				
Placed-in-Service Year	1st Year	2nd Year	3rd Year	4th Year & Later
2018	18,000*/10,000	16,000	9,600	5,760
2012 – 2017	11,160*/3,160	5,100	3,050	1,875

* Higher limit applies if bonus depreciation claimed.

TRUCKS AND VANS*

Placed-in-Service Year	1st Year	2nd Year	3rd Year	4th Year & Later
2018	18,000**/10,000	16,000	9,600	5,760
2017	11,560**/3,560	5,700	3,450	2,075
2016	11,560**/3,560	5,700	3,350	2,075
2015	11,460**/3,460	5,600	3,350	1,975

* If a truck (including SUV) or van exceeds 6,000 pounds GVWR it is not subject to the caps. A \$25,000 section 179 limit applies to SUVs, trucks with bed-length under 6', and vans with a seating capacity of less than 10 persons behind driver's seat if the vehicle is exempt from the caps. The cap increases to \$25,500 for vehicles placed in service in tax years beginning in 2019.

** Higher limit applies if bonus claimed.

STANDARD MILEAGE RATES

Year	Business	Medical/Moving	Charitable	Basis Adjustment
2019	58	20*	14	26
2018	54.5	18*	14	25
2017	53.5	17	14	25

* Moving expense deduction is repealed, effective for tax years beginning after 2017 and before 2026, except for members of U.S. Armed Forces.

DECLINING BALANCE RATES*

Property Class	Method	DB Rate	Year of Switch to SL Method
3-Year	200% DB	66.67%	3rd
3-Year	150% DB	50.00%	2nd
5-Year	200% DB	40.00%	5th
5-Year	150% DB	30.00%	4th
7-Year	200% DB	28.57%	6th
7-Year	150% DB	21.43%	4th
10-Year	200% DB	20.00%	7th
10-Year	150% DB	15.00%	5th
15-Year	150% DB	10.00%	7th
20-Year	150% DB	7.50%	9th

* These rates are used to compute depreciation if the optional table percentages are not used.

BONUS DEPRECIATION RATES*

Placed-In-Service	Rate
2012 - Sept. 27, 2017	50%
Sept. 28, 2017 - 2022	100%
2023	80%
2024	60%
2025	40%
2026	20%
2027	0%

* Property acquired before Sept. 28, 2017 and placed in service after September 27, 2017 qualifies for 50 percent rate if placed in service in 2017, 40 percent in 2018, and 30 percent in 2019.

CODE SEC. 179 EXPENSING

Tax Years Beginning in:	Dollar Limitation	Investment Limitation
2019	\$1,020,000	\$2,550,000
2018	\$1,000,000	\$2,500,000
2017	\$510,000	\$2,030,000
2016	\$500,000	\$2,010,000

ASSETS WITH SPECIAL DEPRECIATION PERIODS

Asset Type	Recovery Period		Applies to Property Placed in Service
	GDS	ADS	
Qualified leasehold improvement property*	15	39	before 2018
Qualified retail improvement property*	15	39	before 2018
Qualified restaurant improvement property*	15	39	before 2018
Qualified restaurant buildings*	15	39	before 2018
Qualified improvement property*	15**	20**	after 2017
New farm machinery	5	10	after 2017

* Straight line method must be used. Usual GDS recovery period is 39 years.

** Technical correction is necessary to assign 15-year GDS and 20-year ADS recovery period intended by Congress for qualified improvement property. Otherwise GDS recovery period is 39 years and ADS recovery period is 40 years.

DEPRECIATION PERIODS FOR COMMON ASSETS & BUSINESSES*

	GDS	ADS
Automobiles, taxis, trucks (light general purpose)	5	5
Breeding cattle and dairy (purchased)	5	7
Buses	5	9
Calculators, copiers, accounting machines	5	6
Computers and peripheral equipment	5	5
Farm buildings	20	25
Land improvements such as shrubbery, fences, roads, and bridges not specifically included in another business asset class	15	20
Nonresidential real property placed in service after May 12, 1993	39	40
Nonresidential real property placed in service before May 13, 1993	31.5	40
Office furniture and fixtures such as desks, files, safes, communications equipment	7	10
Research and experimentation property	5	Class life
Residential rental property placed in service after 2017	27.5	30
Residential rental property placed in service before 2018	27.5	40
Retail motor fuel outlets	15	20
Service station buildings and land improvements used in marketing petroleum products	15	20
Single purpose agricultural or horticultural structures	10	15
Tractor units for over-the-road use	3	4
Trailers and trailer mounted containers	5	6
Trees or vines bearing fruits or nuts placed in service after 1988	10	20
Trucks (heavy general purpose)	5	6
Vessels, barges, tugs and similar water transportation equipment not used in marine construction	10	18
Property not described above used in a business relating to the provision of personal or professional services or in a wholesale or retail trade or business	5	9
Property not described above used in the provision of entertainment services upon payment of a fee or admission charged	7	10

* See Rev. Proc. 87-56 for comprehensive asset classification list.

