

10 Automobiles and Listed Property

■ Tab 10 Contents ■

Vehicle Depreciation Limitations (Section 280F)	10-1
Vehicle Depreciation Chart	10-1
Common Elections	10-1
Standard Mileage Rate Per Mile	10-1
Lease Inclusion Tables	10-2
When Are Transportation Expenses Deductible?	10-3
Auto Expenses	10-3
Listed Property Recordkeeping	10-3
Business Autos	10-3
Business Use of a Vehicle	10-3
Standard Mileage Rate Method	10-4
Actual Expense Method	10-5
Auto Loan Interest Expense	10-5
Section 280F Depreciation Limits	10-5
MACRS Depreciation on Business Autos	10-6
Maximizing Section 179—Autos Worksheet	10-7
Depreciation Recapture	10-7
Leased Autos	10-8
Converting Personal Use Auto to Business Use	10-8
Sale of Business Auto	10-8
Business Auto Trade-In Rules	10-8
Business Auto Trade-In Worksheet	10-9
Other Listed Property	10-10

■ New for 2016 ■

- **Standard mileage rates.** For 2016, the standard mileage rates have changed for several categories. See *Standard Mileage Rate Per Mile*, below.
- **Vehicle depreciation limits (Section 280F).** For 2016, the vehicle depreciation limits for trucks and vans have changed. See *Vehicle Depreciation Limitations (Section 280F)* chart, below.

Common Elections

- Election to opt out of depreciating carryover basis in like-kind exchange, page 10-9.

Standard Mileage Rate Per Mile

(See *Standard Mileage Rate Method*, page 10-4)

	2016	2015	2014	2013	2012
Business	54.0¢	57.5¢	56.0¢	56.5¢	55.5¢
Medical and moving	19.0¢	23.0¢	23.5¢	24.0¢	23.0¢
Charitable	14.0¢	14.0¢	14.0¢	14.0¢	14.0¢
Depreciation	24.0¢	24.0¢	22.0¢	23.0¢	23.0¢

Vehicle Depreciation Limitations (Section 280F) (See *Section 280F Depreciation Limits*, page 10-5)

Tax year first placed in service:	2016	2015	2014	2013	2012	2011
<i>Auto depreciation limitations based on 100% business or investment use¹</i>						
1st year if special depreciation is claimed. ²	\$11,160	\$11,160	\$11,160	\$11,160	\$11,160	\$11,060
1st year depreciation.	\$ 3,160	\$ 3,160	\$ 3,160	\$ 3,160	\$ 3,160	\$ 3,060
2nd year depreciation.	\$ 5,100	\$ 5,100	\$ 5,100	\$ 5,100	\$ 5,100	\$ 4,900
3rd year depreciation.	\$ 3,050	\$ 3,050	\$ 3,050	\$ 3,050	\$ 3,050	\$ 2,950
4th year depreciation and all subsequent years.	\$ 1,875	\$ 1,875	\$ 1,875	\$ 1,875	\$ 1,875	\$ 1,775
<i>Trucks and vans depreciation limitations based on 100% business or investment use¹</i>						
1st year if special depreciation is claimed. ²	\$11,560	\$11,460	\$11,460	\$11,360	\$11,360	\$11,260
1st year depreciation.	\$ 3,560	\$ 3,460	\$ 3,460	\$ 3,360	\$ 3,360	\$ 3,260
2nd year depreciation.	\$ 5,700	\$ 5,600	\$ 5,500	\$ 5,400	\$ 5,300	\$ 5,200
3rd year depreciation.	\$ 3,350	\$ 3,350	\$ 3,350	\$ 3,250	\$ 3,150	\$ 3,150
4th year depreciation and all subsequent years.	\$ 2,075	\$ 1,975	\$ 1,975	\$ 1,975	\$ 1,875	\$ 1,875

¹ If business or investment use is less than 100%, depreciation limit equals amount listed multiplied by business or investment use percentage.

² Special depreciation is available for new vehicles purchased in years 2008 through 2019. A phase down of \$1,600 per year begins in 2018. First year depreciation limits are the same for both 50% and 100% special depreciation. See *Special depreciation allowance*, page 10-7.

Vehicle Depreciation Chart¹ (See *MACRS Depreciation on Business Autos*, page 10-6)

Year	Vehicle Used More Than 50% for Business										Vehicle Used 50% or Less for Business				
	200% Declining Balance (200% DB) ²					150% Declining Balance (150% DB) ²					Straight Line (SL) ²				
	HY	MQ1	MQ2	MQ3	MQ4	HY	MQ1	MQ2	MQ3	MQ4	HY	MQ1	MQ2	MQ3	MQ4
1	20.00	35.00	25.00	15.00	5.00	15.00	26.25	18.75	11.25	3.75	10.00	17.50	12.50	7.50	2.50
2	32.00	26.00	30.00	34.00	38.00	25.50	22.13	24.38	26.63	28.88	20.00	20.00	20.00	20.00	20.00
3	19.20	15.60	18.00	20.40	22.80	17.85	16.52	17.06	18.64	20.21	20.00	20.00	20.00	20.00	20.00
4	11.52	11.01	11.37	12.24	13.68	16.66	16.52	16.76	16.56	16.40	20.00	20.00	20.00	20.00	20.00
5	11.52	11.01	11.37	11.30	10.94	16.66	16.52	16.76	16.57	16.41	20.00	20.00	20.00	20.00	20.00
6	5.76	1.38	4.26	7.06	9.58	8.33	2.06	6.29	10.35	14.35	10.00	2.50	7.50	12.50	17.50

¹ All listed depreciation values are percentages. ² See *Depreciation*, Tab 9, for more information on depreciation methods.

Lease inclusion table for cars (other than trucks or vans) first leased in 2016 (Rev. Proc. 2016-23) (page 10-8)

Fair market value of car		Tax year during lease ¹				
Over	Not Over	1st	2nd	3rd	4th	5th & Later
\$19,000	\$19,500	6	13	20	23	27
19,500	20,000	7	15	23	27	30
20,000	20,500	8	17	26	30	35
20,500	21,000	9	19	29	33	39
21,000	21,500	10	21	31	38	42
21,500	22,000	11	23	34	41	47
22,000	23,000	12	26	39	46	53
23,000	24,000	14	30	44	54	60
24,000	25,000	16	34	50	60	69
25,000	26,000	17	38	56	67	78
26,000	27,000	19	42	62	74	85
27,000	28,000	21	46	68	81	93
28,000	29,000	23	50	73	89	101
29,000	30,000	25	53	80	95	110
30,000	31,000	26	58	85	102	118
31,000	32,000	28	62	91	109	126
32,000	33,000	30	65	98	116	134
33,000	34,000	32	69	103	123	142
34,000	35,000	34	73	109	130	150
35,000	36,000	35	77	115	137	158
36,000	37,000	37	81	121	144	166
37,000	38,000	39	85	127	151	174
38,000	39,000	41	89	132	158	183
39,000	40,000	42	93	138	166	190
40,000	41,000	44	97	144	172	199
41,000	42,000	46	101	150	179	207
42,000	43,000	48	105	155	187	215
43,000	44,000	50	109	161	193	223
44,000	45,000	51	113	167	201	231
45,000	46,000 ²	53	117	173	207	239

¹ For the last year of the lease, use the dollar amount for the preceding year.

² If the FMV of the vehicle is more than \$46,000, see IRS Pub. 463, *Travel, Entertainment, Gift, and Car Expenses*.

Lease inclusion table for trucks or vans first leased in 2016 (Rev. Proc. 2016-23) (page 10-8)

Fair market value of truck or van		Tax year during lease ¹				
Over	Not Over	1st	2nd	3rd	4th	5th & Later
\$19,500	\$20,000	3	8	12	14	16
20,000	20,500	4	10	15	17	20
20,500	21,000	5	12	17	21	25
21,000	21,500	6	14	20	25	28
21,500	22,000	7	16	23	28	32
22,000	23,000	8	19	28	33	38
23,000	24,000	10	23	33	41	46
24,000	25,000	12	26	40	47	55
25,000	26,000	14	30	46	54	63
26,000	27,000	16	34	51	62	70
27,000	28,000	17	38	58	68	79
28,000	29,000	19	42	63	76	86
29,000	30,000	21	46	69	82	95
30,000	31,000	23	50	75	89	103
31,000	32,000	25	54	80	97	111
32,000	33,000	26	58	86	104	119
33,000	34,000	28	62	92	111	127
34,000	35,000	30	66	98	117	136
35,000	36,000	32	70	104	124	143
36,000	37,000	34	73	110	132	151
37,000	38,000	35	78	115	139	160
38,000	39,000	37	82	121	146	167
39,000	40,000	39	85	128	152	176
40,000	41,000	41	89	133	160	184
41,000	42,000	42	94	139	166	192
42,000	43,000	44	97	145	174	200
43,000	44,000	46	101	151	181	208
44,000	45,000	48	105	157	187	217
45,000	46,000	50	109	162	195	224
46,000	47,000 ²	51	113	169	201	233

¹ For the last year of the lease, use the dollar amount for the preceding year.

² If the FMV of the vehicle is more than \$47,000, see IRS Pub. 463, *Travel, Entertainment, Gift, and Car Expenses*.

Lease inclusion table for cars (other than trucks or vans) first leased in 2015 (Rev. Proc. 2015-19) (page 10-8)

Fair market value of car		Tax year during lease ¹				
Over	Not Over	1st	2nd	3rd	4th	5th & Later
\$17,500	\$18,000	3	6	9	10	11
18,000	18,500	4	7	11	13	15
18,500	19,000	4	9	14	15	18
19,000	19,500	5	11	15	19	21
19,500	20,000	6	12	18	22	24
20,000	20,500	6	14	20	25	27
20,500	21,000	7	15	23	27	31
21,000	21,500	8	17	25	30	34
21,500	22,000	9	18	28	32	38
22,000	23,000	10	21	31	37	42
23,000	24,000	11	24	36	42	49
24,000	25,000	12	27	41	48	55
25,000	26,000	14	30	45	54	62
26,000	27,000	15	34	49	60	68
27,000	28,000	17	37	54	65	75
28,000	29,000	18	40	59	71	81
29,000	30,000	20	43	64	76	87
30,000	31,000	21	46	69	81	95
31,000	32,000	23	49	73	88	100
32,000	33,000	24	52	78	93	107
33,000	34,000	25	56	82	99	114
34,000	35,000	27	59	87	104	120
35,000	36,000	28	62	92	110	126
36,000	37,000	30	65	96	116	133
37,000	38,000	31	68	102	121	139
38,000	39,000	33	71	106	127	146
39,000	40,000	34	75	110	132	153
40,000	41,000	35	78	115	138	159
41,000	42,000	37	81	120	143	166
42,000	43,000 ²	38	84	125	149	172

¹ For the last year of the lease, use the dollar amount for the preceding year.

² If the FMV of the vehicle is more than \$43,000, see IRS Pub. 463, *Travel, Entertainment, Gift and Car Expenses*.

Lease inclusion table for trucks or vans first leased in 2015 (Rev. Proc. 2015-19) (page 10-8)

Fair market value of truck or van		Tax year during lease ¹				
Over	Not Over	1st	2nd	3rd	4th	5th & Later
\$18,500	\$19,000	2	4	6	8	9
19,000	19,500	3	6	8	11	12
19,500	20,000	4	7	11	13	16
20,000	20,500	4	9	13	16	19
20,500	21,000	5	11	15	19	22
21,000	21,500	6	12	18	22	25
21,500	22,000	6	14	20	25	28
22,000	23,000	7	16	24	29	33
23,000	24,000	9	19	29	34	40
24,000	25,000	10	23	33	40	46
25,000	26,000	12	25	38	46	53
26,000	27,000	13	29	42	51	60
27,000	28,000	15	32	47	57	65
28,000	29,000	16	35	52	62	73
29,000	30,000	18	38	56	68	79
30,000	31,000	19	41	61	74	85
31,000	32,000	20	45	66	79	91
32,000	33,000	22	48	70	85	98
33,000	34,000	23	51	75	91	104
34,000	35,000	25	54	80	96	111
35,000	36,000	26	57	85	101	118
36,000	37,000	28	60	89	108	124
37,000	38,000	29	63	94	113	131
38,000	39,000	30	67	98	119	137
39,000	40,000	32	70	103	124	144
40,000	41,000	33	73	108	130	150
41,000	42,000	35	76	113	135	157
42,000	43,000	36	79	118	141	163
43,000	44,000	38	82	122	147	169
44,000	45,000 ²	39	85	127	153	176

¹ For the last year of the lease, use the dollar amount for the preceding year.

² If the FMV of the vehicle is more than \$45,000, see IRS Pub. 463, *Travel, Entertainment, Gift and Car Expenses*.