



Alphons H. Weinheimer

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BUSINESS FEDERAL TAX UPDATE 2016-2018

	<u>New Law</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
SECTION 179 DEDUCTION	1,000,000	520,000	510,000	500,000
-- SUVs <14,000 lbs Capped at 25,000				
-- (Immediate Expensing of New or Used Business Equipment and Vehicles (trucks & vans) >6,000 lbs GVW Rating -- Limited to % Business Which Must Be Greater Than 50% Business -- Generally not Available for Rentals (but see bonus depreciation below) -- Includes Off-The-Shelf Computer Software				
TOTAL AMOUNT OF PURCHASES ALLOWED BEFORE DOLLAR FOR DOLLAR PHASE OUT OF SECTION 179 DEDUCTION	2,500,000	2,070,000	2,030,000	2,000,000
Bonus Depreciation available on new and used property (not real estate itself) purchased after 9/27/17 (available for off-the-shelf software and for rentals) See later for more explanation.	100%	50%	50%	50%
AUTO STANDARD MILEAGE ALLOWANCES	<u>New Law</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Business (rate per mile)	Same	54.5¢	53.5¢	54.0¢
Charity Work (rate per mile)	Same	14.0¢	14.0¢	14.0¢
Medical / Moving for Job Purposes (rate per mile)	Same	18.0¢	17.0¢	19.0¢
SEP (and Other Defined Contribution Retirement Plans)				
Max Compensation	Same	275,000	270,000	265,000
Max Percentage	Same	25%	25%	25%
Max Percentage for Self-Employed Party	Same	20%	20%	20%
Max Contribution (Can Get Extension and Not Have to Establish This SEP Account Until You File in August, September, or October)	Same	55,000	54,000	53,000
SIMPLE PLAN SALARY REDUCTION MAX	Same	12,500	12,500	12,500
50(+) Year Old	Same	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>
Total for 50(+)	Same	15,500	15,500	15,500
MAX DEDUCTIBLE 401(k) and 403(b)				
Employee Contribution	Same	18,000	18,000	18,000
50(+) Year Old	Same	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>
Total for 50(+)	Same	24,000	24,000	24,000
PER DIEM RATES [For Continental US (CONUS)]				
Standard (Published by GSA) (Many locales are higher)		Effective 10/1/17	Effective 10/1/16	Effective 10/1/15
• Lodging	Same	93	91	89
• Meals and Incidental Expenses	Same	<u>51</u>	<u>51</u>	<u>51</u>
Max Standard	Same	144	142	140

(see over)