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**BUSINESS FEDERAL TAX UPDATE 2017-2019**

|  | <b>2019</b>       | <b>2018</b>       | <b>2017</b>       |
|--|-------------------|-------------------|-------------------|
| <b>SECTION 179 DEDUCTION</b>   | 1,020,000         | 1,000,000         | 510,000           |
| -- SUVS <14,000 lbs Capped at  | 25,500            | 25,000            | 25,000            |
| -- (Immediate Expensing of New or Used Business Equipment and Vehicles (trucks & vans) >6,000 lbs GVW Rating<br>-- Limited to % Business Which Must Be Greater Than 50% Business<br>-- Generally not Available for Rentals (but see bonus depreciation below)<br>-- Includes Off-The-Shelf Computer Software |                   |                   |                   |
| <b>TOTAL AMOUNT OF PURCHASES ALLOWED BEFORE DOLLAR FOR DOLLAR PHASE OUT OF SECTION 179 DEDUCTION</b>   | 2,550,000         | 2,500,000         | 2,030,000         |
| <b>Bonus Depreciation</b> 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%              | 100%              | 50%               |
|  |                   |                   |                   |
| <b>AUTO STANDARD MILEAGE ALLOWANCES</b>  | <b>2019</b>       | <b>2018</b>       | <b>2017</b>       |
| Business (rate per mile)   | 58.0¢             | 54.5¢             | 53.5¢             |
| Charity Work (rate per mile)   | 14.0¢             | 14.0¢             | 14.0¢             |
| Medical / Moving for Job Purposes (rate per mile)  | 20.0¢             | 18.0¢             | 17.0¢             |
|  |                   |                   |                   |
| <b>SEP (and Other Defined Contribution Retirement Plans)</b>   |                   |                   |                   |
| Max Compensation   | 280,000           | 275,000           | 270,000           |
| Max Percentage   | 25%               | 25%               | 25%               |
| Max Percentage for Self-Employed Party   | 20%               | 20%               | 20%               |
| Max Contribution (Can Get Extension and Not Have to Establish This SEP Account Until You File in August, September, or October)  | 56,000            | 55,000            | 54,000            |
|  |                   |                   |                   |
| <b>SIMPLE PLAN SALARY REDUCTION MAX</b>  | 13,000            | 12,500            | 12,500            |
| 50(+) Year Old   | 3,000             | 3,000             | 3,000             |
| Total for 50(+)  | 16,000            | 15,500            | 15,500            |
| <b>MAX DEDUCTIBLE 401(k) and 403(b)</b>  |                   |                   |                   |
| Employee Contribution  | 19,000            | 18,000            | 18,000            |
| 50(+) Year Old   | 6,000             | 6,000             | 6,000             |
| Total for 50(+)  | 25,000            | 24,000            | 24,000            |
| <b>PER DIEM RATES [For Continental US (CONUS)]</b>   |                   |                   |                   |
| Standard (Published by GSA) (Many locales are higher)  | Effective 10/1/18 | Effective 10/1/17 | Effective 10/1/16 |
| • Lodging  | 94                | 93                | 91                |
| • Meals and Incidental Expenses  | 55                | 51                | 51                |
| <b>Max Standard</b>  | 149               | 144               | 142               |
| <b>LONG-HAUL OVER THE ROAD TRANSPORTATION INDUSTRY AND SELF-EMPLOYED</b>   |                   |                   |                   |
| • Meals & Incidental Expenses  | 66                | 63                | 63                |