



4407 Walzem Road, Suite 207
San Antonio, Texas 78218-2039

210-650-3235
210-650-3236 (FAX)
al@alwcpa.com (E-MAIL)
alwcpa.com (WEBSITE)

BUSINESS FEDERAL TAX UPDATE 2019-2021

	2021	2020	2019
SECTION 179 DEDUCTION	1,050,000	1,040,000	1,020,000
-- SUVS <14,000 lbs Capped at	26,200	25,900	25,500
-- (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	2,620,000	2,590,000	2,550,000
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%	100%	100%
AUTO STANDARD MILEAGE ALLOWANCES	2021	2020	2019
Business (rate per mile)	56.0¢	57.5¢	58.0¢
Charity Work (rate per mile)	14.0¢	14.0¢	14.0¢
Medical / Moving for Job Purposes (rate per mile)	16.0¢	17.0¢	20.0¢
SEP (and Other Defined Contribution Retirement Plans)			
Max Compensation	290,000	285,000	280,000
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)	58,000	57,000	56,000
SIMPLE PLAN SALARY REDUCTION MAX	13,500	13,500	13,000
50(+) Year Old	3,000	3,000	3,000
Total for 50(+)	16,500	16,500	16,000
MAX DEDUCTIBLE 401(k) and 403(b)			
Employee Contribution	19,500	19,500	19,000
50(+) Year Old	6,500	6,500	6,000
Total for 50(+)	26,000	26,000	25,000
PER DIEM RATES [For Continental US (CONUS)]			
Standard (Published by GSA) (Many locales are higher)	Effective 10/1/20	Effective 10/1/19	Effective 10/1/18
• Lodging	96	96	94
• Meals and Incidental Expenses	55	55	55
Max Standard	151	151	149
LONG-HAUL OVER THE ROAD TRANSPORTATION INDUSTRY AND SELF-EMPLOYED			
• Meals & Incidental Expenses	66	66	66
• Only incidental expenses are \$5			