

24-1 December 30, 2024

FINANCE MEMORANDUM

Application of IRC §280F Limits to Sport Utility Vehicles

This Finance Memorandum supplements Finance Memorandum 23-1 and is intended to provide guidance to taxpayers and tax professionals in complying with the New York City tax provisions enacted in 2004 limiting the depreciation and first year expense deductions for sport utility vehicles ("SUVs") with respect to tax years beginning on or after 2015. For prior tax years, consult Finance Memorandum 20-1.

Background. Section 280F of the Internal Revenue Code ("IRC") limits the amount a taxpayer may take as a depreciation deduction under IRC sections 167 or 168 for a passenger automobile. IRC section 280F imposes the same limitations on the amount that a taxpayer may deduct in lieu of depreciation under IRC section 179. (Collectively the "280F limits".) Under IRC section 280F(d)(5), a "passenger automobile" is generally defined as a four-wheeled vehicle "which is manufactured primarily for use on public streets, roads or highways, and which is rated at 6000 pounds unloaded gross weight or less." IRC §280F(d)(5)(i) and (ii). Because SUVs are typically rated at more than 6000 pounds unloaded gross vehicle weight, the 280F limits do not apply to many SUVs.

New York City Decoupling Provisions for SUVs. Part S of Chapter 60 of the Laws of 2004 applies the 280F limits to all SUVs, regardless of weight, for purposes of the New York City General Corporation Tax ("GCT"), Unincorporated Business Tax ("UBT") and Banking Corporation Tax ("Bank Tax") for tax years beginning on and after January 1, 2004 (the "City SUV limits"). A similar limitation is incorporated in the Business Corporation Tax enacted as Part D of Chapter 60 of the Laws of 2015 and effective for tax years beginning on or after January 1, 2015. On the sale or other disposition of an SUV subject to the City SUV limits, the taxpayer must adjust any gain or loss to be included in City entire net income to reflect the applicable City SUV limits on the taxpayer's depreciation and section 179 deductions.

IRC Section 179. The American Jobs Creation Act of 2004, P.L. 108-357, (the "AJCA") amended IRC section 179 to limit the amount that a taxpayer may deduct for an SUV in lieu of depreciation to \$25,000 rather than the \$100,000 amount that would otherwise apply. IRC § 179(b)(5). The AJCA is effective for SUVs placed into service on or after October 22, 2004. See AJCA § 910(b). For tax

years beginning after 2018, this limit is adjustable for inflation. IRC Section 179(b)(6)(A) as amended by Tax Cuts and Jobs Act of 2017.

SUV Defined. The \$25,000 limit on the section 179 deductions for SUVs does not affect the City SUV limits. However, in completing Form NYC-399Z until further notice, taxpayers may rely on the definition of a "sport utility vehicle" enacted by the AJCA, which is as follows:

- (i) In general. The term "sport utility vehicle" means any 4-wheeled vehicle—
 - (I) which is primarily designed or which can be used to carry passengers over public streets, roads, or highways (except any vehicle operated exclusively on a rail or rails),
 - (II) which is not subject to section 280F, and
 - (III) which is rated at not more than 14,000 pounds gross vehicle weight.
- (ii) Certain vehicles excluded. Such term does not include any vehicle which—
 - (I) is designed to have a seating capacity of more than 9 persons behind the driver's seat,
 - (II) is equipped with a cargo area of at least 6 feet in interior length which is an open area or is designed for use as an open area but is enclosed by a cap and is not readily accessible directly from the passenger compartment, or
 - (III) has an integral enclosure, fully enclosing the driver compartment and load carrying device, does not have seating rearward of the driver's seat, and has no body section protruding more than 30 inches ahead of the leading edge of the windshield.

IRC §179(b)(5)(B).

Economic Stimulus Act of 2008 and other federal legislation effecting depreciation. Section 102 of the Economic Stimulus Act of 2008, Pub.L. No. 110-185, 122 Stat. 613 (Feb. 13, 2008) amended IRC section 168(k). As amended, section 168(k)(1)(A) provided a 50-percent additional first year depreciation deduction for certain new property acquired by the taxpayer after December 31, 2007, and before January 1, 2009 so long as no written binding contract for the acquisition of the property existed prior to January 1, 2008. The Economic Stimulus Act also amended §168(k)(2)(F)(i) to increase the first year depreciation allowed under §280F(a)(1)(A) by \$8,000 for passenger automobiles to which the 50-percent additional first year depreciation deduction applies.

Section 168(k) has been amended several times since 2008 to extend the years in which the 50-percent additional first year depreciation deduction is available. Consequently, the years in which the first year depreciation for passenger automobiles under §280F(a)(1)(A) is increased by \$8,000 have also been extended.

Prior to the legislation enacted in 2017, the most recent extension of the 50% bonus depreciation was enacted under Section 143 of the Protecting Americans from Tax Hikes Act of 2015, Pub. L. No. 114-113, Div Q (December 18, 2015) ("2015 PATH Act"). The 2015 PATH Act extended bonus depreciation so that it was available for property acquired and placed in service during 2015-2019; bonus

depreciation was extended through 2020 for certain property with a longer production period. Under the 2015 PATH Act, the bonus depreciation is 50% for property placed in service during 2015-2017, 40% for property placed in service during 2018, and 30% for property placed in service during 2019. The first year depreciation for passenger automobiles under §280F(a)(1)(A) is increased by \$8,000 for the 2015 tax year for certain qualified property. However, in the case of a passenger automobile placed in service after December 31, 2016, the first year additional depreciation under §280F(a)(1)(A) as modified by §168(k)(2)(F) is phased down to \$6,400 in the case of an automobile placed in service during 2018 and to \$4,800 in the case of automobile placed in service during 2019.

The Tax Cuts and Jobs Act (“Tax Cuts Act”), Pub. L. No. 115-97 significantly changed future bonus depreciation while preserving some of the features of the 2015 PATH Act as it applies to earlier acquired property. Section 13201 of the Tax Cuts Act generally increases bonus depreciation to 100% for qualified property acquired and placed in service after September 27, 2017 and before January 1, 2023, phasing down afterwards through 2026. In the case of property acquired by the taxpayer before September 28, 2017 and placed into service before January 1, 2018, bonus depreciation remains at 50% and the phase-down of depreciation for future years remains the same. The Tax Cuts Act extends the \$8,000 increase in the first year depreciation limit on passenger automobile depreciation for vehicles placed in service before December 31, 2026. This extension is only applicable if the vehicle was acquired after September 27, 2017. However, if the vehicle was acquired before September 28, 2017 and placed in service after that date, the phase down of the first year additional depreciation enacted under the 2015 PATH Act is still applicable.

However, as explained below, the federal provisions regarding bonus depreciation will only affect the applicable City SUV limits with respect to the recovery of the costs of Qualified Resurgence Zone property under the Unincorporated Business Tax (UBT) and the Bank Tax.

The limit applicable to a passenger automobile eligible for “bonus depreciation” under IRC section 168(k) in the first year the automobile is placed in service is higher than for other passenger automobiles. However, pursuant to the generally applicable decoupling provisions with respect to bonus depreciation enacted in 2002, which apply to section 168(k) as amended in 2008, and in subsequent years, the bonus depreciation under IRC section 168(k) is only available for qualified New York Liberty Zone property and Qualified Resurgence Zone property. See NYC Local Law 17 of 2002. For GCT and Business Corporation Tax purposes since the 2008 tax year, however, SUVs cannot qualify as either Qualified New York Liberty Zone property or Qualified Resurgence Zone property. See Administrative Code of the City of New York (“Administrative Code”) §§ 11-602(8)(k), 11-602(8)(o), 11-652(8)(k) and 11-652(8)(o). Therefore, under the GCT and Business Corporation Tax, no bonus depreciation is permitted.

For UBT and Bank Tax purposes, with respect to SUV’s placed into service after December 31, 2007 and before January 1, 2024, bonus depreciation is theoretically available for Qualified New York Liberty Zone property, as defined in IRC section 1400L(b)(2), or Qualified Resurgence Zone property, as defined in sections 11-507(22) and 11-641(p) of the Administrative Code. However, in order to be “Liberty Zone property,” an SUV had to have been placed into service before January 1, 2006. Hence, an SUV placed into service in 2008 or later cannot qualify as “Liberty Zone property.” Accordingly, for UBT and Bank Tax purposes, the higher 280F limits for bonus depreciation proper-

ty will apply only to SUVs that are Qualified Resurgence Zone property.

Calculation of City SUV Limits. As explained above, the applicable deduction under the City SUV limits is based on the 280F limits that would apply if the SUV were a "passenger automobile" as defined in that section. The City SUV limits apply to depreciation deductions and IRC section 179 deductions that a taxpayer may take in tax years beginning on and after January 1, 2004 for an SUV regardless of when the SUV was placed in service.

Each year, the Internal Revenue Service publishes the applicable 280F limits for passenger automobiles placed into service during that calendar year. The limit applicable to a passenger automobile eligible for "bonus depreciation" under IRC section 168(k) (as amended by the Economic Stimulus Act of 2008, the American Recovery and Reinvestment Act of 2009, the Small Business Jobs Act, the 2010 Tax Relief Act, the 2012 Taxpayer Relief Act, the 2014 Tax Act, the 2015 PATH Act and the Tax Cuts Act) in the first year the automobile is placed in service is higher than for other passenger automobiles. However, as explained above, these higher limits will only apply for UBT and Bank Tax purposes and then only to SUVs that are Qualified Resurgence Zone property. Note also that no federal bonus depreciation of any kind was available for passenger automobiles placed into service on or after January 1, 2005 and before January 1, 2008.

The applicable 280F limit will depend on both the calendar year in which the taxpayer placed the vehicle in service and the number of taxable years the vehicle has been in use.

The 280F limits published in 2003 through 2017 for trucks and vans are slightly higher than those for standard passenger automobiles due to the use of different inflation adjustments. See Rev. Proc. 2017-29, 2017-14 IRB 1065, March 24, 2017. Beginning in 2018, the 280F limits for trucks and vans are the same as those for passenger automobiles. See Rev. Proc. 2018-25, 2018-18 IRB 543, April 17, 2018; Rev. Proc. 2019-26, 2019-24 IRB, May 21, 2019 and Rev. Proc. 2020-37, 2020-31 IRB, July 8, 2020 and Rev. Proc. 2021-31, 2021-34 IRB, August 6, 2021.

The applicable City SUV limits for tax years beginning in 2015 through 2024 are set forth in the attached New York City SUV Limitation Schedule ("Limitation Schedule"). For the applicable City SUV limits for tax years beginning in 2004 through 2014, consult Finance Memorandum 20-1 and the attached Limitation Schedules. For subsequent years, the Limitation Schedules will be updated. The updated Limitation Schedules will be available on the New York City Department of Finance website at nyc.gov/finance.

Special Note for UBT and Bank Tax taxpayer eligible for 100 percent bonus depreciation on SUVs. For federal income tax purposes, taxpayers eligible for 100 percent bonus depreciation for a passenger automobile under the Tax Cuts Act face a significant issue with respect to the election of 100 percent bonus depreciation and the applicable IRC section 280F limitations. If the unadjusted depreciable basis of a passenger automobile exceeds the first year limitation under IRC section 280F(a)(1)(A)(i), the excess amount will not be a deductible depreciation expense until the *first taxable year following the recovery period* under IRC section 280F(a)(1)(B)(i). For example, a taxpayer who purchased and placed in service a passenger automobile in 2019 and who elects 100 percent bonus depreciation would be able to deduct IRC section 208F limit of \$18,100 in 2019. Any remain-

ing basis in the automobile would not be eligible for a depreciation deduction until 2025, after the end of the automobile's recovery period. Inasmuch as for New York City UBT and Bank Tax purposes, the 280F limitations apply to all SUVs, whether or not they are passenger automobiles, the same issue will exist for UBT and Bank Tax taxpayers with SUVs eligible for 100 percent bonus depreciation. See Administrative Code §§11-507(23), 11-507(24) and 11-641(r).

In Rev. Proc. 2019-13, 2019-9 IRB, 2/13/2019, the IRS created a safe harbor to address this issue. The safe harbor allows for certain alternative methods for determining depreciation deductions for passenger automobiles that qualify for the 100% additional first year depreciation deduction under Code Sec.168(k) and that are subject to the depreciation limitations for passenger automobiles in Code Sec. 280F(a). New York City taxpayers eligible for bonus depreciation and subject to the City's SUV limits may use Rev. Proc. 2019-13 to determine City depreciation for an SUV, subject to the applicable 280F limitations. If, instead, an eligible City taxpayer elects 100 percent depreciation for an SUV, that City taxpayer will not be permitted any additional depreciation deductions for UBT or Bank Tax purposes until after the expiration of the recovery period.

The Department of Finance has issued this Finance Memorandum for the purpose of advising taxpayers and tax professionals of, and explaining the Department's current position and procedures with respect to, the issue addressed so that they may act accordingly. Finance Memoranda are advisory in nature and are merely explanatory. Finance Memoranda are not declaratory rulings or rules of the Department of Finance and do not have legal force or effect, do not set precedent and are not binding on taxpayers.

TABLE 2015-A

The following Table 2015-A summarizes the City SUV limits for tax years beginning in 2015 applicable to SUVs built on **truck chassis** placed in service in tax years beginning in **2011 through 2015**.

	SUV Placed in Service in Calendar Year	City SUV Limit on SUV for which Bonus Depreciation Is Allowed	City SUV Limit on SUV for which Bonus Depreciation Is Not Allowed
Tax year beginning in 2015 is first year of use of SUV	2015	\$11,460 ¹	\$3,460
Tax year beginning in 2015 is second year of use of SUV	2015	\$5,600	\$5,600
	2014	\$5,500	\$5,500
Tax year beginning in 2015 is third year of use of SUV	2014	\$3,350	\$3,350
	2013	\$3,250	\$3,250
Tax year beginning in 2015 is fourth year of use of SUV	2013	\$1,975	\$1,975
	2012	\$1,875	\$1,875
Tax year beginning in 2015 is fifth year of use of SUV	2012	\$1,875	\$1,875
	2011	\$1,875	\$1,875

TABLE 2015-B

The following Table 2015-B summarizes the City SUV limits for tax years beginning in 2015 applicable to SUVs built on **car chassis** placed in service in tax years beginning in **2011 through 2015**.

	SUV Placed in Service in Calendar Year	City SUV Limit on SUV for which Bonus Depreciation Is Allowed	City SUV Limit on SUV for which Bonus Depreciation Is Not Allowed
Tax year beginning in 2015 is first year of use of SUV	2015	\$11,160	\$3,160
Tax year beginning in 2015 is second year of use of SUV	2015	\$5,100	\$5,100
	2014	\$5,100	\$5,100
Tax year beginning in 2015 is third year of use of SUV	2014	\$3,050	\$3,050
	2013	\$3,050	\$3,050
Tax year beginning in 2015 is fourth year of use of SUV	2013	\$1,875	\$1,875
	2012	\$1,875	\$1,875
Tax year beginning in 2015 is fifth year of use of SUV	2012	\$1,875	\$1,875
	2011	\$1,775	\$1,775

¹ The city limits for vehicles placed into service beginning the calendar year 2015 are derived from Rev. Proc. 2015-19, 2015-8 IRB 656, February 2, 2015 as modified by Rev. Proc. 2016-23, 2016-16 IRB, April 1, 2016. For the years 2011 through 2014, the city SUV limits are derived from the same sources noted in footnotes 15 through 18 of Finance Memorandum 20-1. For SUVs placed in service in prior years, consult the Limitation Schedules included with Finance Memorandum 20-1.

TABLE 2016-A

The following Table 2016-A summarizes the City SUV limits for tax years beginning in 2016 applicable to SUVs built on **truck chassis** placed in service in tax years beginning in **2012 through 2016**.

	SUV Placed in Service in Calendar Year	City SUV Limit on SUV for which Bonus Depreciation Is Allowed	City SUV Limit on SUV for which Bonus Depreciation Is Not Allowed
Tax year beginning in 2016 is first year of use of SUV	2016	\$11,560 ²	\$3,560
Tax year beginning in 2016 is second year of use of SUV	2016	\$5,700	\$5,700
	2015	\$5,600	\$5,600
Tax year beginning in 2016 is third year of use of SUV	2015	\$3,350	\$3,350
	2014	\$3,350	\$3,250
Tax year beginning in 2016 is fourth year of use of SUV	2014	\$1,975	\$1,975
	2013	\$1,975	\$1,975
Tax year beginning in 2016 is fifth year of use of SUV	2013	\$1,975	\$1,975
	2012	\$1,875	\$1,875

TABLE 2016-B

The following Table 2016-B summarizes the City SUV limits for tax years beginning in 2016 applicable to SUVs built on **car chassis** placed in service in tax years beginning in **2012 through 2016**.

	SUV Placed in Service in Calendar Year	City SUV Limit on SUV for which Bonus Depreciation Is Allowed	City SUV Limit on SUV for which Bonus Depreciation Is Not Allowed
Tax year beginning in 2016 is first year of use of SUV	2016	\$11,160	\$3,160
Tax year beginning in 2016 is second year of use of SUV	2016	\$5,100	\$5,100
	2015	\$5,100	\$5,100
Tax year beginning in 2016 is third year of use of SUV	2015	\$3,050	\$3,050
	2014	\$3,050	\$3,050
Tax year beginning in 2016 is fourth year of use of SUV	2014	\$1,875	\$1,875
	2013	\$1,875	\$1,875
Tax year beginning in 2016 is fifth year of use of SUV	2013	\$1,875	\$1,875
	2012	\$1,875	\$1,875

² The City limits for vehicles placed into service in calendar year 2016 and for vehicles placed into service during 2015 for which bonus depreciation was allowed are derived from Rev. Proc. 2016-23, 2016-16 IRB, April 1, 2016. For other vehicles placed into service in 2015, the city limits are derived from Rev. Proc. 2015-19, 2015-8 IRB 656, February 2, 2015. For the years 2011 through 2014, the city SUV limits are derived from the same sources noted in footnotes 15 through 18 of Finance Memorandum 20-1. For SUVs placed in service in prior years, consult the Limitation Schedules included with Finance Memorandum 20-1.

TABLE 2017-A

The following Table 2017-A summarizes the City SUV limits for tax years beginning in 2017 applicable to SUVs built on **truck chassis** placed in service in tax years beginning in **2013 through 2017**.

	SUV Placed in Service in Calendar Year	City SUV Limit on SUV for which Bonus Depreciation Is Allowed	City SUV Limit on SUV for which Bonus Depreciation Is Not Allowed
Tax year beginning in 2017 is first year of use of SUV	2017	\$11,560 ³	\$3,560
Tax year beginning in 2017 is second year of use of SUV	2017	\$5,700	\$5,700
	2016	\$5,700	\$5,700
Tax year beginning in 2017 is third year of use of SUV	2016	\$3,350	\$3,350
	2015	\$3,350	\$3,350
Tax year beginning in 2017 is fourth year of use of SUV	2015	\$1,975	\$1,975
	2014	\$1,975	\$1,975
Tax year beginning in 2017 is fifth year of use of SUV	2014	\$1,975	\$1,975
	2013	\$1,975	\$1,975

TABLE 2017-B

The following Table 2017-B summarizes the City SUV limits for tax years beginning in 2017 applicable to SUVs built on **car chassis** placed in service in tax years beginning in **2013 through 2017**.

	SUV Placed in Service in Calendar Year	City SUV Limit on SUV for which Bonus Depreciation Is Allowed	City SUV Limit on SUV for which Bonus Depreciation Is Not Allowed
Tax year beginning in 2017 is first year of use of SUV	2017	\$11,160	\$3,160
Tax year beginning in 2017 is second year of use of SUV	2017	\$5,100	\$5,100
	2016	\$5,100	\$5,100
Tax year beginning in 2017 is third year of use of SUV	2016	\$3,050	\$3,050
	2015	\$3,050	\$3,050
Tax year beginning in 2017 is fourth year of use of SUV	2015	\$1,875	\$1,875
	2014	\$1,875	\$1,875
Tax year beginning in 2017 is fifth year of use of SUV	2014	\$1,875	\$1,875
	2013	\$1,875	\$1,875

³ The City limits for vehicles placed into service in calendar 2017 are derived from Rev. Proc. 2017-29, 2017-14 IRB 1065, March 24, 2017. The City limits for vehicles placed into service in calendar year 2016 are derived from Rev. Proc. 2016-23, 2016-16 IRB 581, April 1, 2016. For vehicles placed into service in 2015, the city limits are derived from Rev. Proc. 2015-19, 2015-8 IRB 656, February 2, 2015. For the years 2011 through 2014, the city SUV limits are derived from the same sources noted in footnotes 15 through 18 of Finance Memorandum 20-1. For SUVs placed in service in prior years, consult the Limitation Schedules included with Finance Memorandum 20-1.

TABLE 2018-A

The following Table 2018-A summarizes the City SUV limits for tax years beginning in 2018 applicable to SUVs built on **truck chassis** placed in service in tax years beginning in **2014 through 2018**.

	SUV Placed in Service in Calendar Year	City SUV Limit on SUV for which Bonus Depreciation Is Allowed	City SUV Limit on SUV for which Bonus Depreciation Is Not Allowed
Tax year beginning in 2018 is first year of use of SUV	2018	\$18,000* ⁴ 16,400	\$10,000
Tax year beginning in 2018 is second year of use of SUV	2018	\$16,000	\$16,000
	2017	\$5,700	\$5,700
Tax year beginning in 2018 is third year of use of SUV	2017	\$3,450	\$3,450
	2016	\$3,350	\$3,350
Tax year beginning in 2018 is fourth year of use of SUV	2016	\$2,075	\$2,075
	2015	\$1,975	\$1,975
Tax year beginning in 2018 is fifth year of use of SUV	2015	\$1,975	\$1,975
	2014	\$1,975	\$1,975

TABLE 2018-B

The following Table 2018-B summarizes the City SUV limits for tax years beginning in 2018 applicable to SUVs built on **car chassis** placed in service in tax years beginning in **2014 through 2018**.

	SUV Placed in Service in Calendar Year	City SUV Limit on SUV for which Bonus Depreciation Is Allowed	City SUV Limit on SUV for which Bonus Depreciation Is Not Allowed
Tax year beginning in 2018 is first year of use of SUV	2018	\$18,000* 16,400	\$10,000
Tax year beginning in 2018 is second year of use of SUV	2018	\$16,000	\$16,000
	2017	\$5,100	\$5,100
Tax year beginning in 2018 is third year of use of SUV	2017	\$3,050	\$3,050
	2016	\$3,050	\$3,050
Tax year beginning in 2018 is fourth year of use of SUV	2016	\$1,875	\$1,875
	2015	\$1,875	\$1,875
Tax year beginning in 2018 is fifth year of use of SUV	2015	\$1,875	\$1,875
	2014	\$1,875	\$1,875

*Acquired after September 27, 2017

⁴ The City limits for vehicles placed into service in calendar 2018 are derived from Rev. Proc. 2018-25, 2018-18 IRB 543, April 17, 2018. The City limits for vehicles placed into service in calendar year 2017 are derived from Rev. Proc. 2017-29, 2017-14 IRB 1065, March 24, 2017. For vehicles placed into service in calendar year 2016, the city limits are derived from 2016-23, 2016-16 IRB 581, April 1, 2016. For vehicles placed into service in 2015, the city limits are derived from Rev. Proc. 2015-19, 2015-8 IRB 656, February 2, 2015. For information regarding the derivation of limits applicable to years prior to 2015, please refer to footnote 21 of Finance Memorandum 20-1. For SUVs placed in service in 2014 for which 2018 is the sixth year of use, the applicable limit is the same as the limit for the fifth year in the above chart. For SUVs placed in service in 2013, use the amount set forth in the fifth year in Table 2017-A or Table 2017-B (if built on a car chassis). For SUVs placed in service prior to 2013, refer to footnote 21 of Finance Memorandum 20-1.

TABLE 2019-A

The following Table 2019-A summarizes the City SUV limits for tax years beginning in 2019 applicable to SUVs built on **truck chassis** placed in service in tax years beginning in **2015 through 2019**.

	SUV Placed in Service in Calendar Year	City SUV Limit on SUV for which Bonus Depreciation Is Allowed	City SUV Limit on SUV for which Bonus Depreciation Is Not Allowed
Tax year beginning in 2019 is first year of use of SUV	2019	\$18,100* ⁵ 14,900	\$10,100
Tax year beginning in 2019 is second year of use of SUV	2019	\$16,100	\$16,100
	2018	\$16,000	\$16,000
Tax year beginning in 2019 is third year of use of SUV	2018	\$9,600	\$9,600
	2017	\$3,450	\$3,450
Tax year beginning in 2019 is fourth year of use of SUV	2017	\$2,075	\$2,075
	2016	\$2,075	\$2,075
Tax year beginning in 2019 is fifth year of use of SUV	2016	\$2,075	\$2,075
	2015	\$1,975	\$1,975

TABLE 2019-B

The following Table 2019-B summarizes the City SUV limits for tax years beginning in 2019 applicable to SUVs built on **car chassis** placed in service in tax years beginning in **2015 through 2019**.

	SUV Placed in Service in Calendar Year	City SUV Limit on SUV for which Bonus Depreciation Is Allowed	City SUV Limit on SUV for which Bonus Depreciation Is Not Allowed
Tax year beginning in 2019 is first year of use of SUV	2019	\$18,100* ⁵ 14,900	\$10,100
Tax year beginning in 2019 is second year of use of SUV	2019	\$16,100	\$16,100
	2018	\$16,000	\$16,000
Tax year beginning in 2019 is third year of use of SUV	2018	\$9,600	\$9,600
	2017	\$3,050	\$3,050
Tax year beginning in 2019 is fourth year of use of SUV	2017	\$1,875	\$1,875
	2016	\$1,875	\$1,875
Tax year beginning in 2019 is fifth year of use of SUV	2016	\$1,875	\$1,875
	2015	\$1,875	\$1,875

*Acquired after September 27, 2017

⁵ The City limits for vehicles placed into service in calendar year 2019 are derived from Rev. Proc. 2019-26, 2019-24 IRB, May 21, 2019. The higher limits for SUVs placed in service in 2019 for which Bonus Depreciation is allowed are for SUVs acquired after September 27, 2017. The higher limits for SUVs placed in service for 2019 for which Bonus Depreciation is allowed are for SUVs acquired after September 27, 2017. For information on the safe harbor alternative depreciation methods regarding Bonus Depreciation, see Rev. Proc. 2019-13, 2019-9 IRB 744, February 13, 2019 and the information under "Special Note", pages 4 and 5 of this Finance Memorandum. The City limits for vehicles placed into service in calendar year 2018 are derived from Rev. Proc. 2018-25, 2018-18 IRB 543, April 17, 2018. The City limits for vehicles placed into service in calendar year 2017 are derived from Rev. Proc. 2017-29, 2017-14 IRB 1065, March 24, 2017. For vehicles placed into service in calendar year 2016, the city limits are derived from 2016-23, 2016-16 IRB 581, April 1, 2016. For vehicles placed into service in 2015, the city limits are derived from Rev. Proc. 2015-19, 2015-8 IRB 656, February 2, 2015. For SUVs placed in service in 2015 for which 2019 is the sixth year of use, the applicable limit is the same as the limit for the fifth year in the above chart. For SUVs placed in service in 2014, use the amount set forth in the fifth year in Table 2018-A or Table 2018-B (if built on a car chassis). For SUVs placed in service prior to 2014, refer to footnote 21 of Finance Memorandum 20-1.

TABLE 2020-A/B

The following Table 2020-A/B summarizes the City SUV limits for tax years beginning in 2020 applicable to SUVs built on **car chassis** and **truck chassis** placed in service in tax years beginning in **2016 through 2020**.

	SUV Placed in Service in Calendar Year	City SUV Limit on SUV for which Bonus Depreciation Is Allowed	City SUV Limit on SUV for which Bonus Depreciation Is Not Allowed
Tax year beginning in 2020 is first year of use of SUV	2020	\$18,100 ⁶	\$10,100
Tax year beginning in 2020 is second year of use of SUV	2020	\$16,100	\$16,100
	2019	\$16,000	\$16,000
Tax year beginning in 2020 is third year of use of SUV	2019	\$9,700	\$9,700
	2018	\$9,600	\$9,600
Tax year beginning in 2020 is fourth year of use of SUV	2018	\$5,760	\$5,760
	2017	\$2,075*	\$2,075*
		\$1,875**	\$1,875**
Tax year beginning in 2020 is fifth year of use of SUV	2017	\$2,075	\$2,075
		\$1,875**	\$1,875**
	2016	\$2,075*	\$2,075*
		\$1,875**	\$1,875**

*SUV built on a **truck** chassis

SUV built on a **car chassis

⁶ The City limits for vehicles placed into service in calendar year 2020 are derived from Rev. Proc. 2020-37, 2020-31 IRB, July 8, 2020. The City limits for vehicles placed into service in calendar year 2019 are derived from Rev. Proc. 2019-26, 2019-24 IRB, May 21, 2019. For information on the safe harbor alternative depreciation methods regarding Bonus Depreciation, see Rev. Proc. 2019-13, 2019-9 IRB 744, February 13, 2019 and the information under "Special Note", pages 4 and 5 of this Finance Memorandum. The City limits for vehicles placed into service in calendar year 2018 are derived from Rev. Proc. 2018-25, 2018-18 IRB 543, April 17, 2018. The City limits for vehicles placed into service in calendar year 2017 are derived from Rev. Proc. 2017-29, 2017-14 IRB 1065, March 24, 2017. For vehicles placed into service in calendar year 2016, the city limits are derived from 2016-23, 2016-16 IRB 581, April 1, 2016. For SUVs placed in service in 2016 for which 2020 is the sixth year of use, the applicable limit is the same as the limit for the fifth year in the above chart. For vehicles placed into service in 2015, the city limits are derived from Rev. Proc. 2015-19, 2015-8 IRB 656, February 2, 2015 and are the same as the amounts set forth in the fifth year of Table 2019-A or 2019-B (if built on a car chassis). For SUVs placed in service in 2014, use the amount set forth in the fifth year in Table 2018-A or Table 2018-B (if built on a car chassis). For SUVs placed in service prior to 2014, refer to footnote 21 of Finance Memorandum 20-1.

TABLE 2021-A/B

The following Table 2021-A/B summarizes the City SUV limits for tax years beginning in 2021 applicable to SUVs built on **car chassis** and **truck chassis** placed in service in tax years beginning in **2017 through 2021**.

	SUV Placed in Service in Calendar Year	City SUV Limit on SUV for which Bonus Depreciation Is Allowed	City SUV Limit on SUV for which Bonus Depreciation Is Not Allowed
Tax year beginning in 2021 is first year of use of SUV	2021	\$18,200 ⁷	\$10,200
Tax year beginning in 2021 is second year of use of SUV	2021	\$16,400	\$16,400
	2020	\$16,100	\$16,100
Tax year beginning in 2021 is third year of use of SUV	2020	\$9,700	\$9,700
	2019	\$9,700	\$9,700
Tax year beginning in 2021 is fourth year of use of SUV	2019	\$5,760	\$5,760
	2018	\$5,760	\$5,760
Tax year beginning in 2021 is fifth year of use of SUV	2018	\$5,760	\$5,760
	2017	\$2,075*	\$2,075*
		\$1,875**	\$1,875**

*SUV built on a **truck** chassis

SUV built on a **car chassis

⁷ The City limits for vehicles placed into service in calendar year 2021 are derived from Rev. Proc. 2021-31, 2021-34 IRB, August 6, 2021. The City limits for vehicles placed into service in calendar year 2020 are derived from Rev. Proc. 2020-37, 2020-31 IRB, July 8, 2020. The City limits for vehicles placed into service in calendar year 2019 are derived from Rev. Proc. 2019-26, 2019-24 IRB, May 21, 2019. For information on the safe harbor alternative depreciation methods regarding Bonus Depreciation, see Rev. Proc. 2019-13, 2019-9 IRB 744, February 13, 2019 and the information under “Special Note”, pages 4 and 5 of this Finance Memorandum. The City limits for vehicles placed into service in calendar year 2018 are derived from Rev. Proc. 2018-25, 2018-18 IRB 543, April 17, 2018. The City limits for vehicles placed into service in calendar year 2017 are derived from Rev. Proc. 2017-29, 2017-14 IRB 1065, March 24, 2017. For SUVs placed in service in 2017 for which 2021 is the sixth year of use, the applicable limit is the same as the limit for the fifth year in the above chart. For vehicles placed into service in calendar year 2016, the city limits are derived from 2016-23, 2016-16 IRB 581, April 1, 2016 and are the same as limits for the fifth year of Table 2020-A/B. For vehicles placed into service in 2015, the city limits are derived from Rev. Proc. 2015-19, 2015-8 IRB 656, February 2, 2015 and are the same as the fifth year in Table 2019-A or Table 2019-B (if built on a car chassis). For SUVs placed in service in 2014, use the amount set forth in the fifth year in Table 2018-A or Table 2018-B (if built on a car chassis). For information regarding SUVs placed in service prior to 2014, refer to footnote 21 of Finance Memorandum 20-1.

TABLE 2022-A/B

The following Table 2022-A/B summarizes the City SUV limits for tax years beginning in 2022 applicable to SUVs built on **car chassis and truck chassis** placed in service in tax years beginning in **2018 through 2022**.

	SUV Placed in Service in Calendar Year	City SUV Limit on SUV for which Bonus Depreciation Is Allowed	City SUV Limit on SUV for which Bonus Depreciation Is Not Allowed
Tax year beginning in 2022 is first year of use of SUV	2022	\$19,200 ⁸	\$11,200
Tax year beginning in 2022 is second year of use of SUV	2022	\$18,000	\$18,000
	2021	\$16,400	\$16,400
Tax year beginning in 2022 is third year of use of SUV	2021	\$9,800	\$9,800
	2020	\$9,700	\$9,700
Tax year beginning in 2022 is fourth year of use of SUV	2020	\$5,760	\$5,760
	2019	\$5,760	\$5,760
Tax year beginning in 2022 is fifth year of use of SUV	2019	\$5,760	\$5,760
	2018	\$5,760	\$5,760

⁸ The City limits for vehicles placed into service in calendar year 2022 are derived from Rev. Proc. 2022-17, 2022-13 IRB, March 16 2022. The City limits for vehicles placed into service in calendar year 2021 are derived from Rev. Proc. 2021-31, 2021-34 IRB, August 6, 2021. The City limits for vehicles placed into service in calendar year 2020 are derived from Rev. Proc. 2020-37, 2020-31 IRB, July 8, 2020. The City limits for vehicles placed into service in calendar year 2019 are derived from Rev. Proc. 2019-26, 2019-24 IRB, May 21, 2019. For information on the safe harbor alternative depreciation methods regarding Bonus Depreciation, see Rev. Proc. 2019-13, 2019-9 IRB 744, February 13, 2019 and the information under “Special Note”, pages 4 and 5 of this Finance Memorandum. The City limits for vehicles placed into service in calendar year 2018 are derived from Rev. Proc. 2018-25, 2018-18 IRB 543, April 17, 2018. For SUVs placed in service in 2018 for which 2022 is the sixth year of use, the applicable limit is the same as the limit for the fifth year in the above chart. The City limits for vehicles placed into service in calendar year 2017 are derived from Rev. Proc. 2017-29, 2017-14 IRB 1065, March 24, 2017 and are the same as the limits for the fifth year of Table 2021-A/B. For vehicles placed into service in calendar year 2016, the city limits are derived from 2016-23, 2016-16 IRB 581, April 1, 2016 and are the same as limits for the fifth year of Table 2020-A/B. For vehicles placed into service in 2015, the city limits are derived from Rev. Proc. 2015-19, 2015-8 IRB 656, February 2, 2015 and are the same as the fifth year in Table 2019-A or Table 2019-B (if built on a car chassis). For SUVs placed in service in 2014, use the amount set forth in the fifth year in Table 2018-A or Table 2018-B (if built on a car chassis). For information regarding SUVs placed in service prior to 2014, refer to footnote 21 of Finance Memorandum 20-1.

TABLE 2023-A/B

The following Table 2023-A/B summarizes the City SUV limits for tax years beginning in 2023 applicable to SUVs built on **car chassis and truck chassis** placed in service in tax years beginning in **2019 through 2023**.

	SUV Placed in Service in Calendar Year	City SUV Limit on SUV for which Bonus Depreciation Is Allowed	City SUV Limit on SUV for which Bonus Depreciation Is Not Allowed
Tax year beginning in 2023 is first year of use of SUV	2023	\$20,200 ⁹	\$12,200
Tax year beginning in 2023 is second year of use of SUV	2023	\$19,500	\$19,500
	2022	\$18,000	\$18,000
Tax year beginning in 2023 is third year of use of SUV	2022	\$10,800	\$10,800
	2021	\$9,800	\$9,800
Tax year beginning in 2023 is fourth year of use of SUV	2021	\$5,860	\$5,860
	2020	\$5,760	\$5,760
Tax year beginning in 2022 is fifth year of use of SUV	2020	\$5,760	\$5,760
	2019	\$5,760	\$5,760

⁹ The City limits for vehicles placed into service in calendar year 2023 are derived from Rev. Proc. 2023-14, 2023-6 IRB, January 18, 2023. The City limits for vehicles placed into service in calendar year 2022 are derived from Rev. Proc. 2022-17, 2022-13 IRB, March 16 2022. The City limits for vehicles placed into service in calendar year 2021 are derived from Rev. Proc. 2021-31, 2021-34 IRB, August 6, 2021. The City limits for vehicles placed into service in calendar year 2020 are derived from Rev. Proc. 2020-37, 2020-31 IRB, July 8, 2020. The City limits for vehicles placed into service in calendar year 2019 are derived from Rev. Proc. 2019-26, 2019-24 IRB, May 21, 2019. For information on the safe harbor alternative depreciation methods regarding Bonus Depreciation, see Rev. Proc. 2019-13, 2019-9 IRB 744, February 13, 2019 and the information under “Special Note”, pages 4 and 5 of this Finance Memorandum. The City limits for vehicles placed into service in calendar year 2018 are derived from Rev. Proc. 2018-25, 2018-18 IRB 543, April 17, 2018. For SUVs placed in service in 2018 for which 2022 is the sixth year of use, the applicable limit is the same as the limit for the fifth year in the above chart. The City limits for vehicles placed into service in calendar year 2017 are derived from Rev. Proc. 2017-29, 2017-14 IRB 1065, March 24, 2017 and are the same as the limits for the fifth year of Table 2021-A/B. For vehicles placed into service in calendar year 2016, the city limits are derived from 2016-23, 2016-16 IRB 581, April 1, 2016 and are the same as limits for the fifth year of Table 2020-A/B. For vehicles placed into service in 2015, the city limits are derived from Rev. Proc. 2015-19, 2015-8 IRB 656, February 2, 2015 and are the same as the fifth year in Table 2019-A or Table 2019-B (if built on a car chassis). For SUVs placed in service in 2014, use the amount set forth in the fifth year in Table 2018-A or Table 2018-B (if built on a car chassis). For information regarding SUVs placed in service prior to 2014, refer to footnote 21 of Finance Memorandum 20-1.

TABLE 2024-A/B

The following Table 2024-A/B summarizes the City SUV limits for tax years beginning in 2024 applicable to SUVs built on **car chassis and truck chassis** placed in service in tax years beginning in **2020 through 2024**.

	SUV Placed in Service in Calendar Year	City SUV Limit on SUV for which Bonus Depreciation Is Allowed	City SUV Limit on SUV for which Bonus Depreciation Is Not Allowed
Tax year beginning in 2024 is first year of use of SUV	2024	\$20,400 ¹⁰	\$12,400
Tax year beginning in 2024 is second year of use of SUV	2024	\$19,800	\$19,800
	2023	\$19,500	\$19,500
Tax year beginning in 2024 is third year of use of SUV	2023	\$11,700	\$11,700
	2022	\$10,800	\$10,800
Tax year beginning in 2024 is fourth year of use of SUV	2022	\$6,460	\$6,460
	2021	\$5,860	\$5,860
Tax year beginning in 2024 is fifth year of use of SUV	2021	\$5,860	\$5,860
	2020	\$5,760	\$5,760

¹⁰ The City limits for vehicles placed into service in calendar year 2024 are derived from Rev. Proc. 2024-13, 2024-9 IRB 678, February 7, 2024. The City limits for vehicles placed into service in calendar year 2023 are derived from Rev. Proc. 2023-14, 2023-6 IRB, January 18, 2023. The City limits for vehicles placed into service in calendar year 2022 are derived from Rev. Proc. 2022-17, 2022-13 IRB, March 16 2022. The City limits for vehicles placed into service in calendar year 2021 are derived from Rev. Proc. 2021-31, 2021-34 IRB, August 6, 2021. The City limits for vehicles placed into service in calendar year 2020 are derived from Rev. Proc. 2020-37, 2020-31 IRB, July 8, 2020. For SUVs placed in service in 2020 for which 2024 is the sixth year of use, the applicable limit is the same as the limit for the fifth year in the above chart. The City limits for vehicles placed into service in calendar year 2019 are derived from Rev. Proc. 2019-26, 2019-24 IRB, May 21, 2019 and are the same as the fifth year of Table 2023-A/B. For information on the safe harbor alternative depreciation methods regarding Bonus Depreciation, see Rev. Proc. 2019-13, 2019-9 IRB 744, February 13, 2019 and the information under "Special Note", pages 4 and 5 of this Finance Memorandum. The City limits for vehicles placed into service in calendar year 2018 are derived from Rev. Proc. 2018-25, 2018-18 IRB 543, April 17, 2018 and are the same as the fifth year of Table 2022-A/B. The City limits for vehicles placed into service in calendar year 2017 are derived from Rev. Proc. 2017-29, 2017-14 IRB 1065, March 24, 2017 and are the same as the limits for the fifth year of Table 2021-A/B. For vehicles placed into service in calendar year 2016, the city limits are derived from 2016-23, 2016-16 IRB 581, April 1, 2016 and are the same as limits for the fifth year of Table 2020-A/B. For vehicles placed into service in 2015, the city limits are derived from Rev. Proc. 2015-19, 2015-8 IRB 656, February 2, 2015 and are the same as the fifth year in Table 2019-A or Table 2019-B (if built on a car chassis). For SUVs placed in service in 2014, use the amount set forth in the fifth year in Table 2018-A or Table 2018-B (if built on a car chassis). For information regarding SUVs placed in service prior to 2014, refer to footnote 21 of Finance Memorandum 20-1.