



## Snapshot of 2016 Chrysler, Dodge, Jeep®, Ram, FIAT® Section 179 Expense Allowance

Tax Treatment	Up to \$37,345 of the purchase cost in the first year (\$500,000 aggregate limit)	Up to \$25,000 of the purchase cost in the first year (\$500,000 aggregate limit)	Up to \$24,445 in the first year (plus any remaining basis using MACRS method)	Up to \$11,560 in the first year (plus any remaining basis using MACRS method)	Up to \$11,160 in the first year (plus any remaining basis using MACRS method)
Applies to:	Trucks and Cargo Vans over 6,000 lbs. GVWR <sup>B,E</sup>	Passenger Trucks/Vans and SUVs over 6,000 lbs. GVWR <sup>C,E</sup>	Trucks and Cargo Vans under 6,000 lbs. GVWR <sup>B,E</sup>	Passenger Automobiles under 6,000 lbs GVWR <sup>A,E</sup>	Passenger Automobiles under 6,000 lbs GVWR <sup>A,E</sup>
Eligible New FCA US Vehicles	Ram 1500 Regular Cab 6'4" box Ram 1500 Quad Cab 6'4" box Ram 2500 Ram 3500 Ram 4500 Ram 5500 Ram ProMaster®	Chrysler Town & Country Dodge Durango Jeep Grand Cherokee Ram 1500 Crew Cab 5'7" box	Ram ProMaster City® Dodge Grand Caravan	2017 Chrysler Pacifica	Chrysler 200 Chrysler 300 Dodge Challenger Dodge Charger Dodge Dart Dodge Journey Jeep® Renegade Jeep® Cherokee Jeep® Patriot Jeep® Compass Jeep® Wrangler Jeep® Wrangler Unlimited FIAT® 500 FIAT® 500c FIAT® 500L

**A** - Expense up to \$11,160 (\$11,560 for Vans, Light Trucks) due to the limitation on passenger automobiles, trucks, SUVs and vans provided by Internal Revenue Code Section 280F(d)(4)(A) and Revenue Procedure 2016-23. This deduction assumes 100% business use of the vehicle by a taxpayer in a trade or business.

**B** - Trucks and vans with a gross vehicle weight rating (GVWR) greater than 6,000 pounds are not subject to the annual depreciation caps under the luxury car rules (Internal Revenue Code Section 280F(d)(5)(B)(iii)). Vehicles over 6,000 pounds with a cargo area larger than 6' may be fully expensed under section 179 up to \$500,000 when less than \$2,010,000 of eligible section 179 property is placed in service. This deduction assumes 100% business use of the vehicle by a taxpayer in a trade or business.

**C** - Sport Utility Vehicles (SUVs), passenger vans that do not seat more than 9 persons behind the passenger seat, and trucks with an interior cargo bed length less than 6 feet that have a GVWR of 6,000 pounds or more are not subject to the luxury car depreciation caps. However, they are limited to a \$25,000 Section 179 expense allowance when less than \$2,010,000 of eligible section 179 property is placed in service (Revenue Procedure 2003-75). The remaining basis of the vehicle is depreciated using MACRS 200% Double Declining Balance over a five year period. This estimated deduction assumes 100% business use of the vehicle by a taxpayer in a trade or business.

**D** - The 2016 FIAT® 500e electric vehicle may be eligible for the full \$7,500 federal Section 30D tax credit, and state incentives including the \$2,500 California Clean Vehicle Rebate Project (CVRP).

**E** - Customers should always independently verify the GVWR and bed length of a vehicle before making any purchase, claiming exemption from the depreciation limitations, or electing the section 179 deduction.

*The material presented in this document is for informational purposes only and is not offered as legal or tax advice. This work sheet is not intended to be used, nor should it be used, by any taxpayer as a defense against federal or state taxes or penalties. You are urged to seek the advice of your tax advisor for specific tax or legal questions.*