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ANNUAL DEPRECIATION LIMITS AND GROSS VEHICLE WEIGHT RATINGS

for Trucks, Vans & Sport Utility Vehicles

As per changes as a result of the

Jobs and Growth Tax Relief Reconciliation Act of 2003

Many of our friends & clients purchase and use trucks, vans and sport utility vehicles in their businesses. These vehicles may not be subject to the annual *passenger vehicle* depreciation limitations if their **gross** vehicle weight rating (GVWR) is more than 6,000 pounds. To be certain of a particular vehicles weight rating, the manufacturers plate or sticker should be examined to determine this magic number.

The attached table provides the weight ranges for most commonly purchased trucks, vans and sport utility vehicles. The vehicles highlighted in yellow are the ones close to 6,000 pounds that can qualify if equipment or other weights add-up to the 6,000 pound limit.

- Generally, only half-ton trucks, vans and sport utility vehicles might be under the 6,000 pound GVW rating, so particular care should be exercised in this area.

The deciding variables in this determination by the vehicle manufacturer are the engine power and drivetrain capability. Usually a V-8 engine with a matching heavier duty transmission and rear axle will enable a ½ ton vehicle to exceed the 6,000 pound gross vehicle weight rating.

- All ³/₄ quarter and one-ton trucks, vans and sport utility vehicles are over 6,000 pounds GVW..

If a truck, van or sport utility vehicle has been depreciated incorrectly in the past, the preparer should consider changing the 1998 depreciation method to “Other Listed Property” rather than a method subject to annual limitations. In some circumstances, amending a prior return may be advisable.

Under IRC §280F, passenger automobiles are subject to annual depreciation limitations, generally referred to as “luxury car limits”. If a vehicle is not classified as a passenger automobile, it will be classified as “other listed property” which has no annual limitation on depreciation.

Under IRC §280F(d)(5)(A), a passenger automobile is defined as any four wheel vehicle...

- Manufactured primarily for use on public streets, roads and highways, and...
- Rated at 6,000 pounds **unloaded** gross vehicle weight or less. In the case of trucks, vans or sport utility vehicles, the “unloaded gross vehicle weight” is ignored and “gross vehicle weight” (GVW) is used instead.

For trucks, vans and sport utility vehicles, gross vehicle weight means the fully loaded rating assigned to a particular vehicle by the manufacturer, based on chassis, engine and drivetrain capabilities. This means the weight of the vehicle itself and all the stuff it is designed to carry, such as people and cargo.

The following would be subject to annual depreciation limitations:

- A passenger automobile vehicle with an **unloaded** vehicle weight of 6,000 pounds or less
- A truck, van or sport utility vehicle with a **gross** vehicle weight rating of 6,000 pounds or less.

The following would be NOT be subject to annual depreciation limitations:

- A passenger automobile vehicle with an **unloaded** vehicle weight of more than 6,000 pounds
- A truck, van or sport utility vehicle with a **gross** vehicle weight rating of more than 6,000 pounds

MAKE	MODEL	GVWR (lbs)
AMERICAN GENERAL	HUMVEE, HUMMER	10,300–12,100
BMW	X-5 SUV	6005
CADILLAC	Escalade	6100-6800
CHEVROLET	Suburban 1500/2500	6800-8600
	S-10 Pickup	4200-5150
	S-10 Blazer	4450-5300
	1500 pickup (half-ton)	5600-6800
	2500 pickup (3/4 ton)	7200-8600
	3500 pickup (1 ton)	9000-15000
	Astro Van	5600-6100
	Tahoe (half ton)	6100-6800
	Lumina Van	5126
	1500 G-Van (half ton)	4900-7100
	2500 G Van (3/4 ton)	7300-8600
	3500 G Van (1 ton)	8600-9500
	K1500 Blazer (half ton) old model full size Blazer)	6250-6450
DODGE, CHRYSLER AND PLYMOUTH	Ram Van 1500/B150 (half ton)	5000-6010
	Ram Van 2500/B250 (3/4 ton)	6010-6800
	Ram Van 3500/B350 (1 ton)	7500-9000
	Dakota pickup	4480-6400
	Durango SUV	6400
	Ram pickup 1500/D150 (half ton)	5000-6400
	Ram pickup 2500/D250 (3/4 ton)	7500-8800
	Ram pickup 3500/D350 (1 ton)	10500-11000
	Caravan	4340-5420
	Ramcharger	5600-6400
FORD/MERCURY	Explorer/Mountaineer	4780-5640
	Excursion	8500++
	Expedition	7000-7200
	Bronco 4x4	6050-6300
	Aerostar van	4700-5380
	Econoline van E150 (half ton)	5500-7000
	Econoline van E250 (3/4 ton)	7200-8550
	Econoline van E350 (1 ton)	9300-11500

	Ranger pickup	4180-5140
	F150 pickup (half ton)	5550-6550
	F250 pickup (3/4 ton) Pre 1999	6600-8800
	F350 pickup (1 ton) pre 1999	8800-11000
	F350 Super Duty (1 ton) pre 1999	15000-17000
	F250/350/450 Super Duty (1999)	8800-19000
GMC	Suburban 1500/2500	6800-8600
	Sonoma pickup	4200-5150
	Jimmy	4450-5300
	Sierra 1500 pickup (half-ton)	5600-6800
	Sierra 2500 pickup (3/4 ton)	7200-8600
	Sierra 3500 pickup (1 ton)	9000-15000
	Safari Van	5600-6100
	Yukon (new style, half ton)	6300-6800
	Lumina Van	5126
	1500 G-Van (half ton)	4900-7100
	2500 G Van (3/4 ton)	7300-8600
	3500 G Van (1 ton)	8600-9500
	K1500 Yukon (half ton) old model full size Yukon)	6250-6450
JEEP	Grand Cherokee	5700
LAND ROVER	Range Rover	6050
	Discovery	6035
MERCEDES-BENZ	M320	6005
	M430	6005+
TOYOTA	Land Cruiser	6470
	T-100 pickup	5700-6000
VOLKSWAGON	TOUAREG	6486-6550

Caution: Watch out for the following that may have a GVWR less than 6,000 pounds due to smaller engines and drivetrains. To make sure of the GVWR, check the manufacturer's door plate or sticker, generally located in the driver's door jamb.

- Pre 1995 Chevrolet/GMC ½ ton pickups and vans (1500 series)
- All Chevrolet/GMC Astro/Safari Vans
- Pre 1996 Ford F150 half-ton pickups
- Pre 1994 Dodge D150 half-ton pickups
- All Dodge B150/1500 Ram Vans

(thanks to Bill Sanders, CPA for his reseach on these gems)