

26 CFR 601.105: Examination of returns and claims for refund, credit, or abatement; determination of correct tax liability.
(Also: Part I, §§ 280F; 1.280F-7.)

Rev. Proc. 2015-19

SECTION 1. PURPOSE

This revenue procedure provides: (1) limitations on depreciation deductions for owners of passenger automobiles first placed in service by the taxpayer during calendar year 2015, including separate tables of limitations on depreciation deductions for trucks and vans; (2) amounts that must be included in income by lessees of passenger automobiles first leased by the taxpayer during calendar year 2015, including a separate table of inclusion amounts for lessees of trucks and vans; and (3) revised tables of depreciation limitations and lessee inclusion amounts for passenger automobiles that were first placed in service or first leased by the taxpayer, respectively, during 2014 and to which the 50 percent additional first year depreciation deduction under § 168(k)(1)(A) of the Internal Revenue Code applies as extended by § 125(a) of the Tax Increase Prevention Act of 2014, Pub. L. No. 113-295, ___ Stat. ___ (December 19, 2014) (the “Act”). The tables detailing these depreciation limitations and lessee inclusion amounts reflect the automobile price inflation adjustments required by § 280F(d)(7).

SECTION 2. BACKGROUND

.01 For owners of passenger automobiles, § 280F(a) imposes dollar limitations on the depreciation deduction for the year the taxpayer places the passenger automobile in service and for each succeeding year. For passenger automobiles placed in service after 1988, § 280F(d)(7) requires the Internal Revenue Service to increase the amounts allowable as depreciation deductions by a price inflation adjustment amount. The method of calculating this price inflation amount for trucks and vans placed in service in or after calendar year 2003 uses a different CPI “automobile component” (the “new trucks” component) than that used in the price inflation amount calculation for other passenger automobiles (the “new cars” component), resulting in somewhat higher depreciation deductions for trucks and vans. This change reflects the higher rate of price inflation for trucks and vans since 1988.

.02 Section 125(a) of the Act extended the 50 percent additional first year depreciation deduction under § 168(k) to qualified property (as defined in § 168(k)(2)) acquired by the taxpayer after December 31, 2007, and before January 1, 2015, if no written binding contract for the acquisition of the property existed before January 1, 2008, and if the taxpayer places the property in service generally before January 1, 2015. Section 168(k)(2)(F)(i) increases the first year depreciation allowed under § 280F(a)(1)(A)(i) by \$8,000 for passenger automobiles to which the additional first year depreciation deduction under § 168(k) (hereinafter, referred to as “§ 168(k) additional first year depreciation deduction”) applies. Accordingly, this revenue procedure updates Rev. Proc. 2014-21, 2014-11 I.R.B. 641, to provide tables for passenger automobiles placed in service during calendar year 2014 for which the § 168(k) additional first year depreciation deduction applies.

.03 Section 280F(c) requires a reduction in the deduction allowed to the lessee of a leased passenger automobile. The reduction must be substantially equivalent to the limitations on the depreciation deductions imposed on owners of passenger automobiles. Under § 1.280F-7(a) of the Income Tax Regulations, this reduction requires a lessee to include in gross income an amount determined by applying a formula to the amount obtained from a table. One table applies to lessees of trucks and vans and another table applies to all other passenger automobiles. Each table shows inclusion amounts for a range of fair market values for each taxable year after the passenger automobile is first leased.

SECTION 3. SCOPE

.01 The limitations on depreciation deductions in section 4.01(2) of this revenue procedure apply to passenger automobiles (other than leased passenger automobiles) that are placed in service by the taxpayer in calendar year 2015, and continue to apply for each taxable year that the passenger automobile remains in service.

.02 The tables in section 4.02 of this revenue procedure apply to leased passenger automobiles for which the lease term begins during calendar year 2015. Lessees of these passenger automobiles must use these tables to determine the inclusion amount for each taxable year during which the passenger automobile is leased. See Rev. Proc. 2010-18, 2010-09 I.R.B. 427, as amplified and modified by section 4.03 of Rev. Proc. 2011-21, 2011-12 I.R.B. 560, for passenger automobiles first leased during calendar year 2010; Rev. Proc. 2011-21, for passenger automobiles first leased during calendar year 2011; Rev. Proc. 2012-23, 2012-14 I.R.B. 712, for passenger automobiles first leased during calendar year 2012; Rev. Proc. 2013-21, 2013-12 I.R.B. 660, for

passenger automobiles first leased during calendar year 2013; and Rev. Proc. 2014-21, 2014-11 I.R.B. 641, as amplified and modified by section 4.03 of this revenue procedure, for passenger automobiles first leased during calendar year 2014.

SECTION 4. APPLICATION

.01 Limitations on Depreciation Deductions for Certain Automobiles.

(1) Amount of the inflation adjustment.

(a) Passenger automobiles (other than trucks or vans). Under § 280F(d)(7)(B)(i), the automobile price inflation adjustment for any calendar year is the percentage (if any) by which the CPI automobile component for October of the preceding calendar year exceeds the CPI automobile component for October 1987. Section 280F(d)(7)(B)(ii) defines the term "CPI automobile component" as the automobile component of the Consumer Price Index for all Urban Consumers published by the Department of Labor. The new car component of the CPI was 115.2 for October 1987 and 144.131 for October 2014. The October 2014 index exceeded the October 1987 index by 28.931. Therefore, the automobile price inflation adjustment for 2015 for passenger automobiles (other than trucks and vans) is 25.1 percent ($28.931/115.2 \times 100\%$). The dollar limitations in § 280F(a) are multiplied by a factor of 0.251, and the resulting increases, after rounding to the nearest \$100, are added to the 1988 limitations to give the depreciation limitations applicable to passenger automobiles (other than trucks and vans) for calendar year 2015. This adjustment applies to all passenger automobiles (other than trucks and vans) that are first placed in service in calendar year 2015.

(b) Trucks and vans. To determine the dollar limitations for trucks and vans

first placed in service during calendar year 2015, the Service uses the new truck component of the CPI instead of the new car component. The new truck component of the CPI was 112.4 for October 1987 and 153.902 for October 2014. The October 2014 index exceeded the October 1987 index by 41.502. Therefore, the automobile price inflation adjustment for 2015 for trucks and vans is 36.9 percent ($41.502/112.4 \times 100\%$).

The dollar limitations in § 280F(a) are multiplied by a factor of 0.369, and the resulting increases, after rounding to the nearest \$100, are added to the 1988 limitations to give the depreciation limitations for trucks and vans. This adjustment applies to all trucks and vans that are first placed in service in calendar year 2015.

(2) Amount of the limitation. Tables 1 and 2 contain the dollar amount of the depreciation limitation for each taxable year for passenger automobiles a taxpayer places in service in calendar year 2015. Use Table 1 for a passenger automobile (other than a truck or van), and Table 2 for a truck or van, placed in service in calendar year 2015.

REV. PROC. 2015-19 TABLE 1	
DEPRECIATION LIMITATIONS FOR PASSENGER AUTOMOBILES (THAT ARE NOT TRUCKS OR VANS) PLACED IN SERVICE IN CALENDAR YEAR 2015	
<u>Tax Year</u>	<u>Amount</u>
1st Tax Year	\$ 3,160
2nd Tax Year	\$ 5,100
3rd Tax Year	\$ 3,050
Each Succeeding Year	\$ 1,875

REV. PROC. 2015-19 TABLE 2	
DEPRECIATION LIMITATIONS FOR TRUCKS AND VANS PLACED IN SERVICE IN CALENDAR YEAR 2015	
<u>Tax Year</u>	<u>Amount</u>
1st Tax Year	\$ 3,460

2nd Tax Year	\$ 5,600
3rd Tax Year	\$ 3,350
Each Succeeding Year	\$ 1,975

.02 Inclusions in Income of Lessees of Passenger Automobiles.

A taxpayer must follow the procedures in § 1.280F-7(a) for determining the inclusion amounts for passenger automobiles first leased in calendar year 2015. In applying these procedures, lessees of passenger automobiles other than trucks and vans should use Table 3 of this revenue procedure, while lessees of trucks and vans should use Table 4 of this revenue procedure.

REV. PROC. 2015-19 TABLE 3						
DOLLAR AMOUNTS FOR PASSENGER AUTOMOBILES (THAT ARE NOT TRUCKS OR VANS) WITH A LEASE TERM BEGINNING IN CALENDAR YEAR 2015						
Fair Market Value of Passenger Automobile		Tax Year During Lease				
Over	Not Over	1 st	2 nd	3 rd	4 th	5 th & later
\$17,500	\$18,000	3	6	9	10	11
18,000	18,500	4	7	11	13	15
18,500	19,000	4	9	14	15	18
19,000	19,500	5	11	15	19	21
19,500	20,000	6	12	18	22	24
20,000	20,500	6	14	20	25	27
20,500	21,000	7	15	23	27	31
21,000	21,500	8	17	25	30	34
21,500	22,000	9	18	28	32	38
22,000	23,000	10	21	31	37	42
23,000	24,000	11	24	36	42	49
24,000	25,000	12	27	41	48	55
25,000	26,000	14	30	45	54	62
26,000	27,000	15	34	49	60	68
27,000	28,000	17	37	54	65	75
28,000	29,000	18	40	59	71	81
29,000	30,000	20	43	64	76	87
30,000	31,000	21	46	69	81	95
31,000	32,000	23	49	73	88	100
32,000	33,000	24	52	78	93	107
33,000	34,000	25	56	82	99	114

REV. PROC. 2015-19 TABLE 3
DOLLAR AMOUNTS FOR PASSENGER AUTOMOBILES
(THAT ARE NOT TRUCKS OR VANS)
WITH A LEASE TERM BEGINNING IN CALENDAR YEAR 2015

Fair Market Value of Passenger Automobile		Tax Year During Lease				
		1 st	2 nd	3 rd	4 th	5 th & later
Over	Not Over					
34,000	35,000	27	59	87	104	120
35,000	36,000	28	62	92	110	126
36,000	37,000	30	65	96	116	133
37,000	38,000	31	68	102	121	139
38,000	39,000	33	71	106	127	146
39,000	40,000	34	75	110	132	153
40,000	41,000	35	78	115	138	159
41,000	42,000	37	81	120	143	166
42,000	43,000	38	84	125	149	172
43,000	44,000	40	87	129	155	179
44,000	45,000	41	90	134	161	185
45,000	46,000	43	93	139	166	191
46,000	47,000	44	97	143	172	198
47,000	48,000	45	100	148	177	205
48,000	49,000	47	103	153	183	210
49,000	50,000	48	106	158	188	218
50,000	51,000	50	109	162	194	224
51,000	52,000	51	112	167	200	230
52,000	53,000	53	115	172	205	237
53,000	54,000	54	119	176	211	243
54,000	55,000	56	122	180	217	250
55,000	56,000	57	125	186	222	256
56,000	57,000	58	128	191	227	263
57,000	58,000	60	131	195	234	269
58,000	59,000	61	135	199	239	276
59,000	60,000	63	137	205	244	283
60,000	62,000	65	142	212	253	292
62,000	64,000	68	149	220	265	304
64,000	66,000	71	155	230	275	318
66,000	68,000	73	162	239	287	331
68,000	70,000	76	168	249	298	343
70,000	72,000	79	174	258	309	357
72,000	74,000	82	180	268	320	370
74,000	76,000	85	186	277	332	383
76,000	78,000	88	193	286	343	396
78,000	80,000	91	199	296	354	408
80,000	85,000	96	210	312	374	431

REV. PROC. 2015-19 TABLE 3						
DOLLAR AMOUNTS FOR PASSENGER AUTOMOBILES (THAT ARE NOT TRUCKS OR VANS) WITH A LEASE TERM BEGINNING IN CALENDAR YEAR 2015						
Fair Market Value of Passenger Automobile		Tax Year During Lease				
Over	Not Over	1 st	2 nd	3 rd	4 th	5 th & later
85,000	90,000	103	226	335	402	464
90,000	95,000	110	242	359	430	496
95,000	100,000	117	258	382	458	529
100,000	110,000	128	281	418	500	577
110,000	120,000	142	313	464	556	643
120,000	130,000	157	344	511	613	707
130,000	140,000	171	376	558	668	772
140,000	150,000	185	408	604	725	837
150,000	160,000	200	439	651	781	902
160,000	170,000	214	470	699	837	966
170,000	180,000	228	502	745	894	1,031
180,000	190,000	243	533	792	950	1,096
190,000	200,000	257	565	839	1,006	1,161
200,000	210,000	271	597	886	1,061	1,226
210,000	220,000	286	628	933	1,118	1,290
220,000	230,000	300	660	979	1,174	1,356
230,000	240,000	315	691	1,026	1,231	1,420
240,000	and over	329	723	1,073	1,286	1,485

REV. PROC. 2015-19 TABLE 4						
DOLLAR AMOUNTS FOR TRUCKS AND VANS WITH A LEASE TERM BEGINNING IN CALENDAR YEAR 2015						
Fair Market Value of Truck or Van		Tax Year During Lease				
Over	Not Over	1 st	2 nd	3 rd	4 th	5 th & later
\$18,500	\$19,000	2	4	6	8	9
19,000	19,500	3	6	8	11	12
19,500	20,000	4	7	11	13	16
20,000	20,500	4	9	13	16	19
20,500	21,000	5	11	15	19	22
21,000	21,500	6	12	18	22	25
21,500	22,000	6	14	20	25	28
22,000	23,000	7	16	24	29	33
23,000	24,000	9	19	29	34	40
24,000	25,000	10	23	33	40	46

REV. PROC. 2015-19 TABLE 4						
DOLLAR AMOUNTS FOR TRUCKS AND VANS WITH A LEASE TERM BEGINNING IN CALENDAR YEAR 2015						
Fair Market Value of Truck or Van		Tax Year During Lease				
Over	Not Over	1 st	2 nd	3 rd	4 th	5 th & later
25,000	26,000	12	25	38	46	53
26,000	27,000	13	29	42	51	60
27,000	28,000	15	32	47	57	65
28,000	29,000	16	35	52	62	73
29,000	30,000	18	38	56	68	79
30,000	31,000	19	41	61	74	85
31,000	32,000	20	45	66	79	91
32,000	33,000	22	48	70	85	98
33,000	34,000	23	51	75	91	104
34,000	35,000	25	54	80	96	111
35,000	36,000	26	57	85	101	118
36,000	37,000	28	60	89	108	124
37,000	38,000	29	63	94	113	131
38,000	39,000	30	67	98	119	137
39,000	40,000	32	70	103	124	144
40,000	41,000	33	73	108	130	150
41,000	42,000	35	76	113	135	157
42,000	43,000	36	79	118	141	163
43,000	44,000	38	82	122	147	169
44,000	45,000	39	85	127	153	176
45,000	46,000	40	89	131	158	183
46,000	47,000	42	92	136	163	189
47,000	48,000	43	95	141	169	195
48,000	49,000	45	98	145	175	202
49,000	50,000	46	101	151	180	208
50,000	51,000	48	104	155	186	215
51,000	52,000	49	108	159	192	221
52,000	53,000	51	110	165	197	228
53,000	54,000	52	114	169	203	234
54,000	55,000	53	117	174	208	241
55,000	56,000	55	120	178	214	248
56,000	57,000	56	123	183	220	254
57,000	58,000	58	126	188	225	261
58,000	59,000	59	130	192	231	267
59,000	60,000	61	133	197	236	273
60,000	62,000	63	137	204	245	283
62,000	64,000	66	144	213	256	296
64,000	66,000	68	150	223	268	308

REV. PROC. 2015-19 TABLE 4						
DOLLAR AMOUNTS FOR TRUCKS AND VANS WITH A LEASE TERM BEGINNING IN CALENDAR YEAR 2015						
Fair Market Value of Truck or Van		Tax Year During Lease				
Over	Not Over	1 st	2 nd	3 rd	4 th	5 th & later
66,000	68,000	71	157	232	278	322
68,000	70,000	74	163	241	290	335
70,000	72,000	77	169	251	301	348
72,000	74,000	80	175	261	312	361
74,000	76,000	83	182	269	324	374
76,000	78,000	86	188	279	335	386
78,000	80,000	89	194	288	346	400
80,000	85,000	94	205	305	366	422
85,000	90,000	101	221	328	394	455
90,000	95,000	108	237	351	422	488
95,000	100,000	115	253	375	450	519
100,000	110,000	126	276	410	492	569
110,000	120,000	140	308	457	548	633
120,000	130,000	155	339	504	604	698
130,000	140,000	169	371	551	660	763
140,000	150,000	183	403	597	717	827
150,000	160,000	198	434	644	773	893
160,000	170,000	212	466	691	829	957
170,000	180,000	226	497	738	885	1,023
180,000	190,000	241	528	785	942	1,087
190,000	200,000	255	560	832	997	1,152
200,000	210,000	269	592	878	1,054	1,217
210,000	220,000	284	623	925	1,110	1,282
220,000	230,000	298	655	972	1,166	1,346
230,000	240,000	312	687	1,019	1,222	1,411
240,000	and over	327	718	1,066	1,278	1,476

.03 Revised Amounts for Passenger Automobiles Placed in Service During 2014.

(1) Calculation of the Revised Amount. The revised depreciation limits provided in this section 4.03 were calculated by increasing the existing limitations on the first year allowance in Rev. Proc. 2014-21 by \$8,000 as provided in § 168(k)(2)(F)(i).

(2) Amount of the Revised Limitation. For passenger automobiles (that are not

trucks or vans) placed in service by the taxpayer in calendar year 2014 for which the § 168(k) additional first year depreciation deduction applies, Table 5 of this revenue procedure contains the revised dollar amount of the depreciation limitations for each taxable year. For trucks or vans placed in service by the taxpayer in calendar year 2014 for which the § 168(k) additional first year depreciation deduction applies, Table 6 of this revenue procedure contains the revised dollar amount of the depreciation limitations for each taxable year. If the § 168(k) additional first year depreciation deduction does not apply to a passenger automobile placed in service by the taxpayer in calendar year 2014, the depreciation limitations for each taxable year in Tables 1 and 2 of Rev. Proc. 2014-21 apply.

REV. PROC. 2015-19 TABLE 5	
DEPRECIATION LIMITATIONS FOR PASSENGER AUTOMOBILES (THAT ARE NOT TRUCKS OR VANS) PLACED IN SERVICE IN CALENDAR YEAR 2014 FOR WHICH THE § 168(k) ADDITIONAL FIRST YEAR DEPRECIATION DEDUCTION APPLIES	
<u>Tax Year</u>	<u>Amount</u>
1st Tax Year	\$ 11,160
2nd Tax Year	\$ 5,100
3rd Tax Year	\$ 3,050
Each Succeeding Year	\$ 1,875

REV. PROC. 2015-19 TABLE 6	
DEPRECIATION LIMITATIONS FOR TRUCKS AND VANS PLACED IN SERVICE IN CALENDAR YEAR 2014 FOR WHICH THE § 168(k) ADDITIONAL FIRST YEAR DEPRECIATION DEDUCTION APPLIES	
<u>Tax Year</u>	<u>Amount</u>
1st Tax Year	\$11,460
2nd Tax Year	\$ 5,500
3rd Tax Year	\$ 3,350
Each Succeeding Year	\$ 1,975

(3) Modification to lease inclusion amounts for 2014. The lease inclusion

amounts in Tables 3 and 4 of Rev. Proc. 2014-21 are modified by striking the first line of the inclusion amounts in each table. Consequently, Table 3 of Rev. Proc. 2014-21 applies to passenger automobiles (other than trucks and vans) that are first leased by the taxpayer in calendar year 2014 with a fair market value over \$19,000, and Table 4 of Rev. Proc. 2014-21 applies to trucks and vans that are first leased by the taxpayer in calendar year 2014 with a fair market value over \$19,500.

SECTION 5. EFFECTIVE DATE

This revenue procedure, with the exception of section 4.03, applies to passenger automobiles that a taxpayer first places in service or first leases during calendar year 2015. Section 4.03 of this revenue procedure applies to passenger automobiles that a taxpayer first places in service or first leases during calendar year 2014.

SECTION 6. EFFECT ON OTHER DOCUMENTS

Rev. Proc. 2014-21 is amplified and modified.

SECTION 7. DRAFTING INFORMATION

The principal author of this revenue procedure is Bernard P. Harvey of the Office of Associate Chief Counsel (Income Tax & Accounting). For further information regarding this revenue procedure, contact Mr. Harvey at (202) 317-7005 (not a toll-free call).