

2018 Lease Inclusion Indexing

Internal Revenue Code (IRC) Section 280F(c) imposes inclusion amounts as determined by the Secretary in Federal Regulation Section 1.280F-7. For passenger automobiles placed in service after 1988, IRC Section 280F (d)(7) requires the amounts allowable as a depreciation deduction to be indexed by a price inflation adjustment amount. The Tax Cuts and Jobs Act signed into law on December 22, 2017, changed the dollar limitation amounts.

California's general specified date of conformity is January 1, 2015; therefore, California does not conform to the new limitations.

In applying these procedures, lessees of passenger automobiles other than trucks and vans should use Table 1 of this memo, while lessees of trucks and vans should use Table 2 of this memo.

For taxable year 2018, the inclusion amounts are the following:

Table 1: Dollar Amounts For Passenger Automobiles (That Are Not Trucks Or Vans) With A Lease Term Beginning In Calendar Year 2018

Fair Market Value of Passenger Automobile		Tax Year During Lease				
Over	Not Over	1st	2nd	3rd	4th	5th & Later
\$ 19,000	\$ 19,500	\$ 6	\$ 14	\$ 20	\$ 23	\$ 26
19,500	20,000	7	16	23	26	30
20,000	20,500	8	18	25	29	34
20,500	21,000	9	20	27	34	38
21,000	21,500	10	21	31	37	43
21,500	22,000	11	23	34	41	46
22,000	23,000	12	26	38	46	52
23,000	24,000	14	30	44	53	61
24,000	25,000	16	33	51	60	69
25,000	26,000	18	37	57	67	76
26,000	27,000	19	42	62	73	85
27,000	28,000	21	46	68	80	93
28,000	29,000	23	50	73	87	101
29,000	30,000	24	54	78	95	110
30,000	31,000	26	57	85	102	117
31,000	32,000	28	61	91	109	125
32,000	33,000	29	66	97	116	133
33,000	34,000	31	70	102	123	141
34,000	35,000	33	73	108	130	149
35,000	36,000	35	77	114	137	157
36,000	37,000	37	80	120	144	165
37,000	38,000	39	84	126	151	173
38,000	39,000	40	89	131	158	182
39,000	40,000	42	93	137	164	190
40,000	41,000	44	97	143	171	198
41,000	42,000	46	101	149	178	206
42,000	43,000	48	104	156	185	213
43,000	44,000	49	109	161	193	221
44,000	45,000	51	113	166	200	229
45,000	46,000	53	116	172	207	238
46,000	47,000	55	120	178	213	246
47,000	48,000	57	124	183	220	255
48,000	49,000	59	127	190	227	262
49,000	50,000	60	132	196	234	270
50,000	51,000	62	136	202	241	278
51,000	52,000	64	140	207	249	286
52,000	53,000	66	144	212	256	295
53,000	54,000	68	148	218	262	303
54,000	55,000	69	152	224	269	311
55,000	56,000	70	156	230	276	319
56,000	57,000	72	160	236	283	327
57,000	58,000	74	163	242	290	335
58,000	59,000	76	167	248	297	343
59,000	60,000	78	170	255	303	351
60,000	62,000	80	177	262	314	363
62,000	64,000	84	185	274	328	379
64,000	66,000	88	193	286	342	396
66,000	68,000	91	201	298	356	411
68,000	70,000	95	209	308	371	427
70,000	72,000	99	216	320	385	443
72,000	74,000	102	224	332	398	460
74,000	76,000	106	232	344	412	476
76,000	78,000	109	240	355	427	491
78,000	80,000	113	248	367	441	507
80,000	85,000	119	261	388	464	536

Continued on next page

2018 Lease Inclusion Indexing – Table 1 Continued

Table 1: Dollar Amounts For Passenger Automobiles (That Are Not Trucks Or Vans) With A Lease Term Beginning In Calendar Year 2018

Fair Market Value of Passenger Automobile		Tax Year During Lease				
Over	Not Over	1st	2nd	3rd	4th	5th & Later
\$ 85,000	\$ 90,000	\$ 128	\$ 281	\$ 416	\$ 500	\$ 576
90,000	95,000	137	301	445	535	617
95,000	100,000	146	320	475	569	657
100,000	110,000	159	349	519	622	718
110,000	120,000	177	389	577	691	798
120,000	130,000	195	428	635	761	879
130,000	140,000	212	467	693	831	959
140,000	150,000	230	506	752	901	1,040
150,000	160,000	249	545	810	970	1,121
160,000	170,000	266	584	868	1,040	1,201
170,000	180,000	284	624	926	1,110	1,281
180,000	190,000	302	663	985	1,180	1,362
190,000	200,000	319	703	1,042	1,250	1,442
200,000	210,000	338	741	1,100	1,320	1,523
210,000	220,000	355	780	1,159	1,389	1,604
220,000	230,000	373	819	1,218	1,459	1,685
230,000	240,000	391	860	1,275	1,529	1,765
240,000	and over	409	898	1,333	1,599	1,845

Continued on next page

2018 Lease Inclusion Indexing – Continued

Table 2: Dollar Amounts For Trucks and Vans With A Lease Term Beginning In Calendar Year 2018

Fair Market Value of Truck or Van		Tax Year During Lease				
Over	Not Over	1st	2nd	3rd	4th	5th & Later
\$ 19,500	\$ 20,000	\$ 4	\$ 8	\$ 11	\$ 13	\$ 16
20,000	20,500	4	10	14	17	20
20,500	21,000	5	12	17	21	23
21,000	21,500	6	14	20	24	28
21,500	22,000	7	16	23	28	32
22,000	23,000	9	19	27	33	38
23,000	24,000	10	23	34	40	46
24,000	25,000	12	27	39	48	54
25,000	26,000	14	31	45	55	62
26,000	27,000	16	35	51	62	70
27,000	28,000	18	39	57	68	78
28,000	29,000	19	43	62	75	87
29,000	30,000	21	47	68	82	95
30,000	31,000	23	51	74	89	103
31,000	32,000	25	55	80	96	111
32,000	33,000	27	59	86	103	119
33,000	34,000	29	62	92	110	128
34,000	35,000	30	66	98	118	135
35,000	36,000	32	70	104	125	144
36,000	37,000	34	74	110	132	152
37,000	38,000	36	78	116	139	160
38,000	39,000	38	82	121	147	168
39,000	40,000	40	86	127	154	176
40,000	41,000	41	90	134	160	185
41,000	42,000	43	94	140	167	192
42,000	43,000	45	98	145	175	201
43,000	44,000	47	102	151	182	209
44,000	45,000	49	106	157	188	217
45,000	46,000	50	110	164	194	226
46,000	47,000	52	114	169	202	234
47,000	48,000	54	118	175	209	242
48,000	49,000	56	122	181	216	250
49,000	50,000	58	126	187	223	259
50,000	51,000	60	130	192	230	267
51,000	52,000	61	134	198	238	275
52,000	53,000	62	138	204	245	283
53,000	54,000	64	142	210	252	291
54,000	55,000	66	146	216	259	299
55,000	56,000	68	150	222	266	307
56,000	57,000	69	154	228	273	315
57,000	58,000	71	158	234	280	323
58,000	59,000	73	162	240	287	332
59,000	60,000	75	166	246	294	340
60,000	62,000	78	172	254	306	352
62,000	64,000	81	180	267	318	369
64,000	66,000	85	187	278	333	385
66,000	68,000	89	195	290	347	401
68,000	70,000	92	203	302	362	417
70,000	72,000	96	211	313	376	434
72,000	74,000	100	219	325	390	449
74,000	76,000	103	227	337	404	466
76,000	78,000	107	235	349	418	483
78,000	80,000	110	243	361	433	499
80,000	85,000	117	257	381	457	528
85,000	90,000	126	277	411	493	568
90,000	95,000	135	297	440	528	609
95,000	100,000	144	316	470	562	651
100,000	110,000	158	346	514	616	711
110,000	120,000	176	386	573	687	794
120,000	130,000	193	426	632	758	875
130,000	140,000	211	466	690	828	956
140,000	150,000	230	505	750	899	1,039
150,000	160,000	248	545	810	969	1,120
160,000	170,000	266	584	868	1,041	1,201
170,000	180,000	284	625	927	1,111	1,283
180,000	190,000	303	664	986	1,182	1,365
190,000	200,000	320	703	1,046	1,252	1,446
200,000	210,000	338	744	1,103	1,323	1,528

Continued on next page

2018 Lease Inclusion Indexing – Table 2 Continued

Table 2: Dollar Amounts For Trucks and Vans With A Lease Term Beginning In Calendar Year 2018

Fair Market Value of Truck or Van		Tax Year During Lease				
Over	Not Over	1st	2nd	3rd	4th	5th & Later
\$ 210,000	\$ 220,000	\$ 356	\$ 784	\$ 1,163	\$ 1,394	\$ 1,610
220,000	230,000	374	823	1,221	1,465	1,691
230,000	240,000	393	863	1,280	1,536	1,773
240,000	and over	411	903	1,339	1,606	1,855