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This is our **20th** annual **TAXES AT A GLANCE**, a quick reference for several income tax amounts—rates, limitations, percents, minimums and maximums, phase-outs, etc., including changes from many recent tax acts. We caution against using this information as the sole source of answers to your tax questions. Please call us for more information and further explanations. See also our website (www.jvtr.com) for other useful information and for updates to this document.

	2016	2015	2014	2013	2012
Tax Rates on Taxable Income—Individuals					
Beginning of the 1st bracket:	10%	10%	10%	10%	10%
MFJ, S, HH, MFS	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Beginning of the 2nd bracket:	15%	15%	15%	15%	15%
Joint or qualifying widow(er) (MFJ)	\$ 18,550	\$ 18,450	\$ 18,150	\$ 17,850	\$ 17,400
Single (S)	9,275	9,225	9,075	8,925	8,700
Head of household (HH)	13,250	13,150	12,950	12,750	12,400
Married filing separately (MFS)	9,275	9,225	9,075	8,925	8,700
Beginning of the 3rd bracket:	25%	25%	25%	25%	25%
Joint or qualifying widow(er)	\$ 75,300	\$ 74,900	\$ 73,800	\$ 72,500	\$ 70,700
Single	37,650	37,450	36,900	36,250	35,350
Head of household	50,400	50,200	49,400	48,600	47,350
Married filing separately	37,650	37,450	36,900	36,250	35,350
Beginning of the 4th bracket:	28%	28%	28%	28%	28%
Joint or qualifying widow(er)	\$ 151,900	\$ 151,200	\$ 148,850	\$ 146,400	\$ 142,700
Single	91,150	90,750	89,350	87,850	85,650
Head of household	130,150	129,600	127,550	125,450	122,300
Married filing separately	75,950	75,600	74,425	73,200	71,350
Beginning of the 5th bracket:	33%	33%	33%	33%	33%
Joint or qualifying widow(er)	\$ 231,450	\$ 230,450	\$ 226,850	\$ 223,050	\$ 217,450
Single	190,150	189,300	186,350	183,250	178,650
Head of household	210,800	209,850	206,600	203,150	198,050
Married filing separately	115,725	115,225	113,425	111,525	108,725
Beginning of the 6th bracket:	35%	35%	35%	35%	35%
MFJ, S, HH	\$ 413,350	\$ 411,500	\$ 405,100	\$ 398,350	\$ 388,350
Married filing separately	206,675	205,750	202,550	199,175	194,175
Beginning of the 7th bracket:	39.6%	39.6%	39.6%	39.6%	NA
Joint or qualifying widow(er)	\$ 466,950	\$ 464,850	\$ 457,600	\$ 450,000	NA
Single	415,050	413,200	406,750	400,000	NA
Head of household	441,000	439,000	432,200	425,000	NA
Married filing separately	233,475	232,425	228,800	225,000	NA
Medicare Surtax (Taxation in the Tax Return)					
Medicare surtax rate on net investment income	3.8%	3.8%	3.8%	3.8%	NA
On the lesser of net investment income or AGI in excess of:					
For joint or qualifying widow(er)	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	NA
For single, head of household	200,000	200,000	200,000	200,000	NA
For married filing separately	125,000	125,000	125,000	125,000	NA
Medicare surtax rate on excess earned income	0.9%	0.9%	0.9%	0.9%	NA
On wages, salaries and SE income in excess of:					
For joint or qualifying widow(er)	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	NA
For single, head of household	200,000	200,000	200,000	200,000	NA
For married filing separately	125,000	125,000	125,000	125,000	NA

	2016	2015	2014	2013	2012
Tax Rates on Taxable Income—Trusts and Estates					
<i>Beginning of the 1st bracket</i>	15% \$ 0	15% \$ 0	15% \$ 0	15% \$ 0	15% \$ 0
<i>Beginning of the 2nd bracket</i>	25% \$ 2,550	25% \$ 2,500	25% \$ 2,500	25% \$ 2,450	25% \$ 2,400
<i>Beginning of the 3rd bracket</i>	28% \$ 5,950	28% \$ 5,900	28% \$ 5,800	28% \$ 5,700	28% \$ 5,600
<i>Beginning of the 4th bracket</i>	33% \$ 9,050	33% \$ 9,050	33% \$ 8,900	33% \$ 8,750	33% \$ 8,500
<i>Beginning of the 5th bracket</i>	39.6% \$ 12,400	39.6% \$ 12,300	39.6% \$ 12,150	39.6% \$ 11,950	35% \$ 11,650
Tax Rates on Taxable Income—Corporate					
Beginning of the 15% bracket	\$ 0	Same	Same	Same	Same
Beginning of the 25% bracket	50,000	Same	Same	Same	Same
Beginning of the first 34% bracket	75,000	Same	Same	Same	Same
Beginning of the 39% bracket*	100,000	Same	Same	Same	Same
Beginning of the second 34% bracket	335,000	Same	Same	Same	Same
Beginning of the first 35% bracket	10,000,000	Same	Same	Same	Same
Beginning of the 38% bracket*	15,000,000	Same	Same	Same	Same
Beginning of the second 35% bracket	18,333,333	Same	Same	Same	Same
*To repay lower rate bracket benefits					
Flat tax rate for personal service corporations	35%	Same	Same	Same	Same
Maximum Tax Rates on L-T Capital Gains					
<i>Individual:</i>					
On sale of most long-term capital gain assets (Actual rate depends on taxable income)	0% 15% 20%	0% 15% 20%	0% or 15%	0% or 15%	0% or 15%
On sale of trade or business use real estate (Limited to amount of depreciation claimed)	25%	Same	Same	Same	Same
On sale of collectibles	28%	Same	Same	Same	Same
<i>Corporate:</i> (No special rate for capital gains)	See tax rates	Same	Same	Same	Same
Estate and Gift					
<i>Gift:</i>					
Annual gift exclusion, per donee	\$ 14,000	\$ 14,000	\$ 14,000	\$ 13,000	\$ 13,000
Annual gift exclusion with spousal gift splitting	28,000	28,000	28,000	26,000	26,000
Lifetime gift "exclusion" amount	5,450,000	5,430,000	5,340,000	5,250,000	5,120,000
<i>Estate:</i>					
Estate "exclusion" amount, per decedent	\$ 5,450,000	\$ 5,430,000	\$ 5,340,000	\$ 5,250,000	\$ 5,120,000
Range of taxable estate and gift tax rates	18% to 40%	18% to 40%	18% to 40%	18% to 40%	18% to 35%
Beginning taxable amount for highest tax rate	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 500,000
Federal Estimated Tax Safe Harbors—Individuals					
General rule - % of current year tax	90%	Same	Same	Same	Same
Excep based on % of PY tax, AGI≤\$150,000	100%	Same	Same	Same	Same
Excep based on % of PY tax, AGI>\$150,000	110%	Same	Same	Same	Same
Excep based on % of PY tax, MFS AGI>\$75,000	110%	Same	Same	Same	Same

	2016	2015	2014	2013	2012
Exemptions—Individuals, Estates and Trusts					
Personal and dependent (maximum per each)	\$ 4,050	\$ 4,000	\$ 3,950	\$ 3,900	\$ 3,800
Estate	600	Same	Same	Same	Same
Simple trust	300	Same	Same	Same	Same
Complex trust	100	Same	Same	Same	Same
Phase-out of personal exemption (“PEP limit”):					
Joint and surviving spouse, starting at AGI of	\$ 311,300	\$ 309,900	\$ 305,050	\$ 300,000	NA
Single, starting at AGI of	259,400	258,250	254,200	250,000	NA
Head of household, starting at AGI of	285,350	284,050	279,650	275,000	NA
Married filing separately, starting at AGI of	155,650	154,950	152,525	150,000	NA
Phase-out percent (for each \$2,500 unit of AGI in excess of the above amounts)	2%	2%	2%	2%	NA
Itemized Deduction Limits—Individuals					
Medical ded AGI threshold % if under age 65	10%	10%	10%	10%	7.5%
Medical ded AGI threshold % if over age 65	7.5%	7.5%	7.5%	7.5%	NA
Misc itemized deduction AGI threshold %	2%	Same	Same	Same	Same
Phase-out of “excess” itemized deductions (“Pease limit”) start at these AGI amounts:					
Joint	\$ 311,300	\$ 309,900	\$ 305,050	\$ 300,000	NA
Single	259,400	258,250	254,200	250,000	NA
Head of household	285,350	284,050	279,650	275,000	NA
Married filing separately	155,650	154,950	152,525	150,000	NA
Phase-out % (for AGI in excess of above)	3%	3%	3%	3%	NA
Standard Deductions—Individuals					
Joint (MFJ) or qualifying widow(er)	\$ 12,600	\$ 12,600	\$ 12,400	\$ 12,200	\$ 11,900
Single (S)	6,300	6,300	6,200	6,100	5,950
Head of household (HH)	9,300	9,250	9,100	8,950	8,700
Married filing separately (MFS)	6,300	6,300	6,200	6,100	5,950
Additional for elderly and blind-married	1,250	1,250	1,200	1,200	1,150
Additional for elderly and blind-unmarried	1,550	1,550	1,550	1,500	1,450
Taxpayer claimed as a dependent	1,050	1,050	1,000	1,000	950
Alternative Minimum Tax—Individuals					
AMT “Exemptions” (like a Standard Deduction):					
Joint or qualifying widower	\$ 83,800	\$ 83,400	\$ 82,100	\$ 80,800	\$ 78,750
Single and head of household	53,900	53,600	52,800	51,900	50,600
Married filing separately (1/2 of the above)	41,900	41,700	41,050	40,400	39,375
Estates and trusts	23,900	23,800	23,500	23,100	22,500
AMT tax rates (same as for “regular” tax):					
On qualifying dividends	0% 15% 20%	0% 15% 20%	0% 15% 20%	0% or 15%	0% or 15%
On qualifying L-T capital gains	0% 15% 20%	0% 15% 20%	0% 15% 20%	0% or 15%	0% or 15%
(Actual rate depends on taxable income)					
On AMTI, less exemption, up to and including:	26%	26%	26%	26%	26%
MFJ, S, HH	\$ 186,300	\$ 185,400	\$ 182,500	\$ 179,500	\$ 175,000
MFS	93,150	92,700	91,250	89,750	87,500
On AMTI, less exemption, in excess of:	28%	28%	28%	28%	28%
MFJ, S, HH	\$ 186,300	\$ 185,400	\$ 182,500	\$ 179,500	\$ 175,500
MFS	93,150	92,700	91,250	89,750	87,500

	2016	2015	2014	2013	2012
Pension Amounts, Limitations and Other					
Maximum IRA contribution	\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,000
Additional "catch-up" contribution if 50 yrs old	1,000	1,000	1,000	Same	Same
Maximum allowable SIMPLE plan deferral	12,500	12,500	12,000	12,000	11,500
Additional "catch-up" contribution if 50 yrs old	3,000	3,000	2,500	Same	Same
Maximum allowable 401(k) and 403(b) deferral	18,000	18,000	17,500	17,500	17,000
Additional "catch-up" contribution if 50 yrs old	6,000	6,000	5,500	Same	Same
Maximum allowable 457 plan deferral	18,000	18,000	17,500	17,500	17,000
Additional "catch-up" contribution if 50 yrs old	6,000	6,000	5,500	Same	Same
Maximum DC plan annual compensation	265,000	265,000	260,000	255,000	250,000
Max annual % addition to DC plan account	100%	Same	Same	Same	Same
Max annual \$\$ addition to DC plan account	\$ 53,000	\$ 53,000	\$ 52,000	\$ 51,000	\$ 50,000
Maximum annual benefit from DB plan	210,000	210,000	210,000	205,000	200,000
Definition of "highly compensated" employee	120,000	120,000	115,000	115,000	115,000
Definition of "key" employee, top heavy plan - officers with compensation of more than	170,000	170,000	170,000	165,000	165,000
Minimum age for no penalty IRA withdrawal	59½	Same	Same	Same	Same
Required Minimum Distributions					
Minimum distributions from IRAs, 401(k)s, PS plans must <u>begin</u> no later than April 1 of the year following the year of attaining age 70½					
Minimum distribution factors for these ages: (This is the "Uniform Table," which may not be used in some circumstances. Divide the beginning of the year balance in the account by the appropriate factor for the age that year)	70 = 27.4 71 = 26.5 72 = 25.6 73 = 24.7 74 = 23.8	75 = 22.9 76 = 22.0 77 = 21.2 78 = 20.3 79 = 19.5	80 = 18.7 81 = 17.9 82 = 17.1 83 = 16.3 84 = 15.5	85 = 14.8 86 = 14.1 87 = 13.4 88 = 12.7 89 = 12.0	90 = 11.4 91 = 10.8 92 = 10.2 93 = 9.6 94 = 9.1
FICA and FUTA Limits and Amounts					
Employee and employer shares of FICA:					
Annual social security (SS) wage maximum	\$ 118,500	\$ 118,500	\$ 117,000	\$ 113,700	\$ 110,100
Social security withholding percent	6.2%	6.2%	6.2%	6.2%	4.2%
Annual Medicare wage maximum	No cap	Same	Same	Same	Same
Medicare withholding percent	1.45%	Same	Same	Same	Same
Self-employed (SE) share of FICA:					
Annual SE earnings max subject to SS tax	\$ 118,500	\$ 118,500	\$ 117,000	\$ 113,700	\$ 110,100
SE social security tax percent	12.4%	12.4%	12.4%	12.4%	10.4%
Annual SE earnings cap subject to Medicare	No cap	Same	Same	Same	Same
SE Medicare tax percent	2.9%	Same	Same	Same	Same
Percent of SE tax deductible by a self-employed taxpayer	50%	50%	50%	50%	59.6% of SS 50% of Med
Percent of SE health insur deduction by a self-employed taxpayer (limited to net profit)	100%	Same	Same	Same	Same
Maximum wages subject to FUTA tax	\$ 7,000	Same	Same	Same	Same

	2016	2015	2014	2013	2012
Medicare Surtax (Withholding Requirement)					
Rate on wages, salaries, SE income	0.9%	0.9%	0.9%	0.9%	NA
Additional Medicare withholding required by employer for annual wages in excess of (See page 1 for details of taxation)	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	NA
Social Security Benefits and Taxation					
Annual earnings at which benefits begin to be cut prior to "Full Retirement Age" (FRA):					
Under FRA (reduction of \$1 for every \$2)	\$ 15,720	\$ 15,720	\$ 15,480	\$ 15,120	\$ 14,640
In year of FRA (reduction of \$1 for every \$3)	41,880	41,880	41,400	40,080	38,880
FRA and older (no reduction)	No limit	Same	Same	Same	Same

FRA and % reduction in SS benefit if born in 1937 or earlier: Age 65 has .555% reduction per month for # mos. pre-age 65.

Full retirement ages (years + months) and monthly % reductions (pre-FRA) in the Social Security benefit for these years are:

1938	65+2 / .548%	1955	66+2 / .516%
1939	65+4 / .541%	1956	66+4 / .512%
1940	65+6 / .535%	1957	66+6 / .509%
1941	65+8 / .530%	1958	66+8 / .505%
1942	65+10 / .525%	1959	66+10 / .502%
1943-1954	66+0 / .520%	1960 + after	67+0 / .500%

	2016	2015	2014	2013	2012
Annual "base amount" (as defined) at which Social Security benefits begin to be taxed:					
MFJ, at up to 50% taxable	\$ 32,000	Same	Same	Same	Same
MFJ, at up to 85% taxable	44,000	44,000	\$ 44,000	\$ 44,000	\$ 40,000
Single, at up to 50% taxable	25,000	Same	Same	Same	Same
Single, at up to 85% taxable	34,000	Same	Same	Same	Same

Long-Term Care Premiums					
Annual amount deductible as medical expense (and then subject to the AGI limitation):					
Age 40 or less, per person	\$ 390	\$ 380	\$ 370	\$ 360	\$ 350
Age 41 to 50, per person	730	710	700	680	660
Age 51 to 60, per person	1,460	1,430	1,400	1,360	1,310
Age 61 to 70, per person	3,900	3,800	3,720	3,640	3,500
Over 70, per person	4,870	4,750	4,660	4,550	4,370

Medicare Part B Premiums / Deductibles					
Monthly Medicare Part B premiums -					
Base monthly premium	\$ 121.80	\$ 104.90	\$ 104.90	\$ 104.90	\$ 99.90
"Hold harmless" amount (if no SS COLA)	104.90	104.90	104.90	104.90	NA
For 2016 (for marrieds) - monthly Medicare Part B premiums (including the IRMAA) if 2014 "modified" AGI is:					
Between \$170,001 and \$214,000	\$ 170.50	See	See	See	See
Between \$214,001 and \$320,000	243.60	Prior	Prior	Prior	Prior
Between \$320,001 and \$428,000	316.70	"Glance"	"Glance"	"Glance"	"Glance"
Over \$428,000	389.80				
Annual Medicare Part B deductible	\$ 166.00	\$ 147.00	\$ 147.00	\$ 147.00	\$ 140.00

	2016	2015	2014	2013	2012
Health Savings Accounts					
<i>Plan deductible must be at least:</i>					
Self coverage	\$ 1,300	\$ 1,300	\$ 1,250	\$ 1,250	\$ 1,200
Family coverage	2,600	2,600	2,500	2,500	2,400
<i>Maximum contributions:</i>					
Self coverage	3,350	3,350	3,300	3,250	3,100
Family coverage	6,750	6,650	6,550	6,450	6,250
Additional "catch-up" contr if >= 55 yrs old	1,000	Same	Same	Same	Same
<i>Out of pocket limits:</i>					
Self coverage	6,550	6,450	6,350	6,250	6,050
Family coverage	13,100	12,900	12,700	12,500	12,100
Is unused balance at end of year forfeited?	No	Same	Same	Same	Same
Flexible Spending Accounts					
<i>Health care spending account:</i>					
Maximum deferral imposed by tax code	\$ 2,550	\$ 2,550	\$ 2,500	\$ 2,500	None
Is maximum deferral set by sponsor?	No, by IRS	No, by IRS	No, by IRS	No, by IRS	Yes
Is unused balance at end of year forfeited?	\$500 max c/o	\$500 max c/o	\$500 max c/o	Yes	Yes
<i>Dependent care spending account:</i>					
Maximum deferral imposed by tax code	\$ 5,000	Same	Same	Same	Same
Is maximum deferral usually set by sponsor?	Yes	Same	Same	Same	Same
Is unused balance at end of year forfeited?	Yes	Same	Same	Same	Same
Miscellaneous—Individuals					
Max child and dependent care credit (1 child)	\$ 1,050	Same	Same	Same	Same
Max child and dep care credit (2+ children)	2,100	Same	Same	Same	Same
Child tax credit per child under 17	1,000	Same	Same	Same	Same
Max adoption credit, for each child adopted	\$ 13,460	\$ 13,400	\$ 13,190	\$ 12,770	\$ 12,650
Hope scholarship credit, per student	See AOC	See AOC	See AOC	See AOC	See AOC
American Opportunity Credit (AOC), per student	2,500	Same	Same	Same	Same
Lifetime learning credit, per family	2,000	Same	Same	Same	Same
Age for child NOT subject to "Kiddie tax" (KT)	18	Same	Same	Same	Same
Age for full time student NOT subject to KT	24	Same	Same	Same	Same
Michigan Items					
Individual income tax flat rate for the year	4.25%	4.25%	4.25%	4.25%	4.33%
Personal exemption amount	TBD	\$ 4,000	\$ 4,000	\$ 3,950	\$ 3,763
Michigan Corp Income Tax (CIT)	6%	Same	Same	Same	Same
Max senior citizens (age 70+) subtraction for interest, dividend, and cap gain income (reduced by the "pension" subtraction below):*					
Single return	TBD	\$ 11,104	\$ 10,929	\$ 10,767	\$ 10,545
Joint return	TBD	22,207	21,857	21,534	21,091
Max subtraction for retirement, pension and certain IRA benefits:*					
Single return	TBD	\$ 49,811	\$ 49,027	\$ 48,302	\$ 47,309
Joint return	TBD	99,623	98,054	96,605	94,618

*These amounts are for individuals born before 1946. For others, these amounts have been modified or repealed.

	2016	2015	2014	2013	2012
Automobile Items					
Annual deprec \$ cap on "luxury" autos:					
1st year (w/ bonus deprec)	\$ 11,160	Same	Same	Same	Same
1st year (no bonus deprec)	3,160	Same	Same	Same	Same
2nd year	5,100	Same	Same	Same	Same
3rd year	3,050	Same	Same	Same	Same
4th year and thereafter	1,875	Same	Same	Same	Same
Annual deprec \$ cap on light trucks and vans:					
1st year (w/ bonus deprec)	\$ 11,460	\$ 11,460	\$ 11,460	\$ 11,360	\$ 11,360
1st year (no bonus deprec)	3,460	3,460	3,460	3,360	3,360
2nd year	5,600	5,600	5,500	5,400	5,300
3rd year	3,350	3,350	3,350	3,250	3,150
4th year and thereafter	1,975	1,975	1,975	1,975	1,875
Mileage deductions and allowances for:					
Business (per mile)	\$.54	\$.575	\$.56	\$.565	\$.555
Charity (per mile)	.14	Same	Same	Same	Same
Medical and moving (per mile)	.19	.23	.235	.24	.23
Qualified transportation exclusions:					
Parking per month	\$ 255	\$ 250	\$ 250	\$ 245	\$ 240
Transit passes per month	130	130	130	245	240

Per Diems for Business Travel

In lieu of substantiating all expenses, these reimbursement amounts for "ordinary and necessary" employer related expenses incurred under an "accountable plan" while "away from home" in the US will not be taxable to the employee and will be deductible by the employer. (In lieu of using the CONUS tables.)

	For lodging expenses only	For meals and incidental expenses only (M&IE)	Equals maximum per diem rate
Effective 10-1-15 thru 9-30-16:			
"High-cost" locality	\$ 207	\$ 68	\$ 275
"Low-cost" locality	128	57	185
Effective 10-1-14 thru 9-30-15:			
"High-cost" locality	194	65	259
"Low-cost" locality	120	52	172
Effective 10-1-13 thru 9-30-14:			
"High-cost" locality	186	65	251
"Low-cost" locality	118	52	170
Effective 10-1-12 thru 9-30-13:			
"High-cost" locality	177	71	248
"Low-cost" locality	111	46	157
Effective 10-1-11 thru 9-30-12:			
"High-cost" locality	177	65	242
"Low-cost" locality	111	52	163
Effective 10-1-10 thru 9-30-11:			
"High-cost" locality	168	65	233
"Low-cost" locality	108	52	160

Self-employed persons may use the above M&IE amounts in lieu of substantiating those expenses but they must obtain actual receipts for lodging expenses.

	2016	2015	2014	2013	2012
Depreciation Items and Tables					
Annual maximum Section 179 deprec deduction	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Sec 179 deprec deduction reduced \$ for \$ for annual asset investments in excess of	2,010,000	2,000,000	2,000,000	2,000,000	2,000,000
Maximum Sec 179 deprec deduction for an SUV with a GVWR of at least 6,000 lbs.	25,000	Same	Same	Same	Same
Additional "bonus" depreciation (new only): For qualifying assets acquired in these years	50%	Same	Same	Same	Same
MACRS deprec table (200% DB switching to SL, with "mid quarter" conventions):	Half-Year Convention	First Qtr Convention	Second Qtr Convention	Third Qtr Convention	Fourth Qtr Convention
For three year assets:					
1 st year % depreciation	33.33	58.33	41.67	25.00	8.33
2 nd year % depreciation	44.45	27.78	38.89	50.00	61.11
3 rd year % depreciation	14.81	12.35	14.14	16.67	20.37
4 th year % depreciation	7.41	1.54	5.30	8.33	10.19
For five year assets:					
1 st year % depreciation	20.00	35.00	25.00	15.00	5.00
2 nd year % depreciation	32.00	26.00	30.00	34.00	38.00
3 rd year % depreciation	19.20	15.60	18.00	20.40	22.80
4 th year % depreciation	11.52	11.01	11.37	12.24	13.68
5 th year % depreciation	11.52	11.01	11.37	11.30	10.94
6 th year % depreciation	5.76	1.38	4.26	7.06	9.58
For seven year assets:					
1 st year % depreciation	14.29	25.00	17.85	10.71	3.57
2 nd year % depreciation	24.49	21.43	23.47	25.51	27.55
3 rd year % depreciation	17.49	15.31	16.76	18.22	19.68
4 th year % depreciation	12.49	10.93	11.97	13.02	14.06
5 th year % depreciation	8.93	8.75	8.87	9.30	10.04
6 th year % depreciation	8.92	8.74	8.87	8.85	8.73
7 th year % depreciation	8.93	8.75	8.87	8.86	8.73
8 th year % depreciation	4.46	1.09	3.34	5.53	7.64

Asset categories:

36 month assets (SL): Most software.

3 year assets (200% DB): Dies, molds, small tools, certain horses.

5 year assets (200% DB): Autos, computers, typewriters, copiers, many types of equipment, private aircraft.

7 year assets (200% DB): Most manufacturing equipment, office furniture, printing equipment, oil and gas production equip.

7 year assets (150% DB): Farm equipment.

27.5 year assets (SL): Residential (houses, apartments, low income housing) real estate rental.

39 year assets (SL): Non-residential (commercial) real estate rental.

SL = "Straight line" depreciation method (expense evenly over the life).

DB = "Declining balance" depreciation method (larger expense earlier in the life).

Tax disclosure

This written advice is not intended or written to be used, and cannot be used, by you or any other person or entity for the purpose of avoiding penalties that may be imposed on you by IRS under the Internal Revenue Code or by any applicable state or local law.