

Addendum: Basics of Business Entity Taxation

Revision [1.1]

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Corrections to the textbook were made to reflect the recent release of the 2020 Luxury Auto Limits and the annual lease inclusion amounts for leased vehicles (Rev. Proc. 2020-37).

Changed table to reflect 2020 depreciation limits for passenger automobiles (including trucks and vans).

2020 (Rev. Proc. 2020-37)	Passenger Automobiles
1st year	\$10,100
1st year with 100% bonus depreciation	\$18,100
2nd year	\$16,100
3rd year	\$9,700
4th year and later	\$5,760

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For passenger automobiles, with a lease term beginning in 2020, the add-back starts when the fair market value (FMV) is more than \$50,000 (Rev. Proc. 2020-37, Table 3).