

# 2012 Year-End Tax Opportunities and Beyond Trucking Owners Business Roundtable

November 5, 2012

Mark Flinchum, CPA

# Tax Planning for Truckers

- Bonus Depreciation/Section 179 Investment in Equipment
- Tax Deferral/Savings Opportunities
- The Estate Tax Planning Window
- Obama/Romney/Current Tax Rates

# Tractor and Trailer Depreciation Incentives

- 50% bonus depreciation for eligible property placed in service before January 1, 2013. Extension of Bonus into 2013 appears unlikely.
- Section 179 limits:
  - 2012 and forward: Eligible property purchases not exceeding \$500,000, up to \$125,000 can be expensed. Benefit significantly reduced.

# Tax Deferral/Saving Opportunities

- Prepaid Deduction – Treasury Regulation 1.263(a)
- Cash Method of Accounting for Tax Reporting
- If tax rates are anticipated to be higher in 2013 may consider post-2012
- Utilizing the dividend tax rate before December 31, 2012
- Capital gains tax rate increase?

# Estate Tax Planning Window

- The estate, gift and GST exemption for 2012 is \$5.12 million.
- The top gift and estate tax rate is reduced from 55% to 35%.
- Annual gift exclusion for 2012 is \$13,000. 2013 gift exclusion will be \$14,000.
- The exemption is scheduled to revert back to \$1 million in 2013.

# Obama/Romney/Current Tax Rates

Obama Tax Plan		Current Tax Plan	Romney Tax Plan
<b>Individual Income Tax Rates</b>			
	10%	10%	8%
	15%	15%	12%
	25%	25%	20%
	28%	28%	22.4%
	36%	33%	26.4%
	39.6%	35%	28%
<b>Capital Gains Tax Rates</b>			
	10%	0%	0%
	20%	15%	0%
	23.8%	15%	15%
<b>Qualified Dividend Tax Rates</b>			
	0%	0%	0%
	15%	15%	0%
	15%	15%	15%
	39.6%	15%	15%
<b>Gift Tax Exemption Amounts</b>			
	45%	35%	35%
	\$3.5M	\$5.13M	\$5.13M
<b>Estate Tax Exemption Amounts</b>			
	45%	35%	0%
	\$3.5M	\$5.13M	0%
<b>Corporate Tax Rates</b>			
	28%	35%	25%

# Questions?

Mark Flinchum, CPA

Direct: 317.580.2018

Email: [mflinchum@ksmcpa.com](mailto:mflinchum@ksmcpa.com)