

MAXIMIZE YOUR FLEET TAX SAVINGS

BONUS DEPRECIATION & SECTION 179 FAQ

A practical guide for fleet operators navigating year-end tax strategy. Learn how to leverage bonus depreciation and Section 179 to reduce your 2025 tax liability, reinvest in your fleet, and plan confidently before the December 31 deadline.

THE BASICS

☐ What is bonus depreciation?

Bonus depreciation allows businesses to immediately deduct 100% of the cost of eligible new or used vehicles in the year they are placed in service, rather than spreading that expense out over multiple years.

☐ What changed in 2025?

The One Big Beautiful Bill Act reinstated 100% bonus depreciation as of January 19, 2025, providing a limited-time opportunity for fleet operators to maximize their tax deductions.

☐ What is Section 179 and how is it different?

Section 179 lets you expense up to \$2.5 million in qualifying purchases annually. It's especially valuable for smaller fleets or companies buying multiple units. Bonus depreciation, on the other hand, has no cap and applies even after Section 179 limits are met. Most operators can use both together.

ELIGIBILITY & VEHICLE QUESTIONS

☐ What types of vehicles qualify?

Most new and pre-owned motorcoaches, shuttles, and passenger transportation vehicles purchased or leased and placed in service by December 31, 2025, are eligible. Your ABC representative can confirm vehicle eligibility.

☐ What does “placed in service” mean exactly?

“Placed in service” means the vehicle is delivered, inspected, and ready for operational use by the deadline. It's not enough to simply sign a purchase agreement—you must have physical possession and the vehicle must be road-ready.

☐ Can leased vehicles qualify?

Yes. TRAC leases still qualify and may allow for bonus depreciation or improved interest deductibility. ABC offers flexible lease structures designed with these tax benefits in mind.

FINANCIAL QUESTIONS

☐ How do I calculate potential tax savings?

Use this simple formula: $\text{Vehicle Price} \times \text{Corporate Tax Rate} = \text{Estimated Tax Savings}$
Example: \$635,000 motorcoach \times 21% = \$133,350 in potential tax savings

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☐ Are there limits to how many vehicles I can expense?

Bonus depreciation has no dollar limit, while Section 179 caps at \$2.5M in purchases per year. Many fleet operators use both in tandem depending on their tax strategy.

☐ What other tax advantages should I know about?

New rules under the OBBBA also allow for:

- Larger interest deductions on financed purchases (EBITDA-based limit instead of EBIT)
- Potential accelerated depreciation when upfitting or refurbishing existing vehicles

WORKING WITH ABC COMPANIES

☐ How can ABC help?

We provide:

- A national inventory of eligible in-stock vehicles
- Tailored lease programs that support your tax strategy
- End-to-end planning support to align delivery timing, financing, and vehicle prep
- A knowledgeable team that works with your tax advisor or CPA

“We bridge the financial and operational sides of fleet planning, helping you move forward with confidence.”

- Kelly Klein, CFO, ABC Companies

ACT NOW TO MAXIMIZE 2025 SAVINGS

☐ To take advantage of bonus depreciation and Section 179:

- Your vehicles must be delivered and placed in service by December 31, 2025
- Inventory availability and delivery timelines tighten in Q4, so early planning is key
- Leasing and financing approvals may take time; start the conversation now

LET'S BUILD YOUR YEAR-END FLEET STRATEGY

Bonus depreciation and Section 179 offer real financial advantages, but only if your vehicles are placed in service before December 31, 2025. Let's talk about your options, your timeline, and how ABC can help you move forward with confidence.



CONTACT YOUR ABC REP

Have questions or ready to get started? Contact your rep directly or call 800-222-2875.



VIEW ELIGIBLE VEHICLES

[See in-stock units](#) that qualify for bonus depreciation



BOOK A PLANNING CALL

[Request a time](#) with our finance and leasing experts

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