FRAIM CAWLEY & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS



2026 TAX STRATEGY · PRE-PURCHASE CHEAT SHEET

The Heavy SUV Tax Deduction

A plain-English reference for business owners. Before you sign, confirm whether the exact vehicle qualifies, run the three tests that actually matter, and understand the **$32,000 myth** that quietly costs people money.

WHO THIS IS FOR

FOR	BEST FOR	NOT FOR
Owners weighing an SUV purchase in 2026	Vehicles used more than 50% for business	Personal-use buyers hunting a loophole

SECTION 01 · START HERE

The 60-Second Quickstart

Use this sheet before you buy. When you reach the end, you should be able to check off everything below with confidence.

DONE LOOKS LIKE THIS

- [x] You know whether the exact vehicle is likely over **6,000 lbs. GVWR**
- [x] You know the **three qualification checks**
- [x] You understand the **$32,000 myth**
- [x] You know the **one mistake** that ruins the deduction
- [x] You have a **before-you-buy review checklist**

THE KEY INSIGHT

The $32,000 Section 179 cap does *not* automatically cap your full first-year deduction.

In many cases, Section 179 applies first — then bonus depreciation may apply to the remaining qualifying business-use basis. The number on the dealer's tax flyer is rarely the whole story.

SECTION 02 · DOES IT QUALIFY

The 3-Part Qualification Test

All three must be true. Miss any one and the larger first-year treatment is usually off the table.

1

The Weight Test

Vehicle must be over **6,000 lbs. GVWR** (Gross Vehicle Weight Rating). Do *not* use curb weight.

WHERE TO CHECK

- Door-jamb sticker
- Dealer specs
- Manufacturer specs
- Exact trim / drivetrain / battery / seating

2

The Business-Use Test

Must be **more than 50% business use.** At 50% or less, you generally lose Section 179 and accelerated treatment.

Watch the drift — if business use later falls to 50% or less, you face recapture risk, and prior benefit may be partially added back into income.

3

The Timing Test

Vehicle must be **placed in service in 2026.** Ordering it is not enough.

→ Delivery + actual business use are what count, not the purchase date.

SECTION 03 · THE THRESHOLD

The Fast Rule of Thumb

The 6,000-pound GVWR line is the dividing point between ordinary passenger-auto limits and the much larger first-year deductions.

UNDER 6,000 LBS. GVWR

Lower first-year cap

Usually subject to passenger-auto limits, so the first-year deduction is generally much smaller.

OVER 6,000 LBS. GVWR

Often a far larger deduction

Frequently eligible for much larger first-year deductions — but the result still depends on the details below.

- Business-use %
- Exact vehicle classification
- Deduction method used
- Date placed in service

2026 NUMBERS TO KNOW

$32,000	72.5¢	50%+
Section 179 cap for qualifying heavy SUVs	Business standard mileage rate, per mile	Business use needed for accelerated treatment

Important — the $32,000 cap applies to the Section 179 *piece*. It does not always cap the total year-one deduction, and some vehicles may fall outside the SUV cap depending on configuration or classification.

SECTION 04 · THE MATH

The Basic Deduction Stack

The accelerated write-off is built in a specific order of operations.

FIRST

Section 179

Applied first, up to the heavy-SUV cap.

SECOND

Bonus Depreciation

May apply to the remaining qualifying basis.

LAST

MACRS

Standard depreciation handles the rest over time.

A QUICK EXAMPLE

Vehicle price	**$100,000**	Business use	**90%**
Business-use basis	**$90,000**	Section 179 (heavy SUV)	**up to $32,000**

HOW THE $90,000 BASIS SPLITS



Section 179 — Bonus depreciation may apply to the remainder

TRANSLATION

No — heavy-SUV treatment does not always mean "write off the whole thing."

Also no — the $32,000 cap does not always mean you are limited to only $32,000 total.

The 5 Mistakes That Cost People Money

Each of these quietly shrinks — or disqualifies — the deduction people thought they had locked in.

01

Using curb weight instead of GVWR

Curb weight is the wrong metric. Only **GVWR** determines heavy-vehicle treatment.

02

Relying on a model list only

One trim of a model may qualify while another trim of the *same* model does not. The unit matters.

03

Assuming all 6,000+ lb. SUVs are treated the same

Some are subject to the SUV cap; some may fall outside it. Classification drives the outcome.

04

Forgetting the mileage-method tradeoff

Use Section 179, bonus depreciation, MACRS, or any method other than straight-line, and the **standard mileage method is generally off the table** for that vehicle.

05

Ignoring recapture

If business use later drops below 50%, or a later sale creates gain after depreciation, you may face **ordinary-income recapture.**

Vehicles Commonly Treated as 6,000+ GVWR

A starting point only — never a substitute for the GVWR on the exact unit you intend to buy.

FREQUENTLY STRAIGHTFORWARD

Cadillac Escalade	Cadillac Escalade ESV	Chevrolet Tahoe	Chevrolet Suburban
GMC Yukon	GMC Yukon XL	Ford Expedition	Ford Expedition Max
Nissan Armada	Infiniti QX80	Toyota Sequoia	Toyota Land Cruiser
Lincoln Navigator	Lincoln Navigator L	Jeep Grand Wagoneer	Jeep Gr. Wagoneer L
Rivian R1S	GMC Hummer EV SUV		

COMMONLY QUALIFYING — BUT VERIFY EXACT TRIM / UNIT

BMW X5	BMW X7	BMW iX	Audi Q7
Audi Q8	Audi SQ7	Audi SQ8 / RS Q8	Mercedes GLE 450
Mercedes GLS 580	Mercedes G-Class	Lexus GX 550	Lexus LX 600
Jeep Grand Cherokee	Jeep Gr. Cherokee L	Toyota 4Runner	Volvo XC90 AWD
Tesla Model X	Land Rover Defender	LR Discovery	Range Rover / Sport

RED-FLAG CATEGORY — VERIFY CAREFULLY

- Vehicles near the threshold
- Hybrids / EVs with varying battery packs
- Different drivetrains
- Different wheelbases
- German luxury trims
- Anything "commonly listed" without exact unit data

Red Flags & the Pre-Purchase Checklist

RED FLAGS BEFORE YOU BUY

- ▲ GVWR is barely over 6,000
- ▲ You only have a blog list, not the sticker/specs
- ▲ Business use may drift below 50%
- ▲ Dealer says "it qualifies" but gives no proof
- ▲ Delivery won't happen until after year-end
- ▲ You haven't compared actual-expense vs. mileage

PRE-PURCHASE CHECKLIST

- ☐ Verify GVWR on the exact vehicle
- ☐ Confirm business use will exceed 50%
- ☐ Start a mileage log on day one
- ☐ Check if the vehicle is outside the SUV cap
- ☐ Understand your recapture risk
- ☐ Confirm exact trim / drivetrain / battery
- ☐ Ensure it is placed in service in 2026
- ☐ Run the 179 + bonus + MACRS math
- ☐ Weigh giving up the standard mileage option
- ☑ Review the purchase with your CPA before signing

SECTION 08 · DECIDE

The One-Page Decision Filter

LIKELY WORTH DEEPER REVIEW

- ✓ Clearly over 6,000 lbs. GVWR
- ✓ Business use clearly over 50%
- ✓ In service this year
- ✓ You want a larger year-one deduction
- ✓ Actual expenses likely beat mileage

SLOW DOWN IF

- GVWR is uncertain
- Usage will be mixed or inconsistent
- Very high business miles — mileage may win
- Buying mainly for tax reasons, not need
- Year-one vs. long-term math is unclear

YOUR NEXT STEP

Book a free private strategy call before you sign.

We'll confirm whether the specific unit qualifies, whether the SUV cap applies, your estimated first-year deduction, and whether actual expenses or mileage is the better move.

SCHEDULE ONLINE — CLICK TO BOOK
https://calendly.com/d/cqs9-6c8-jmz

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Disclaimer. This cheat sheet is general educational information, not tax, legal, or accounting advice, and does not create a client relationship. 2026 figures, thresholds, and rules are subject to change and depend on your specific facts and the exact vehicle. Always confirm GVWR on the unit and review your situation with Fraim, Cawley & Company, CPAs before acting.