

26 CFR 601.105: Examination of returns and claims for refund, credit, or abatement; determination of correct tax liability.
(Also Part I, §§ 280F; 1.280F-7.)

Rev. Proc. 2026-15

SECTION 1. PURPOSE

This revenue procedure provides: (1) two tables of limitations on depreciation deductions for owners of passenger automobiles placed in service by the taxpayer during calendar year 2026; and (2) a table of dollar amounts that must be used to determine income inclusions by lessees of passenger automobiles with a lease term beginning in calendar year 2026. These tables reflect the automobile price inflation adjustments required by § 280F(d)(7) of the Internal Revenue Code (Code).¹ For purposes of this revenue procedure, the term “passenger automobiles” includes trucks and vans.

SECTION 2. BACKGROUND

.01 For owners of passenger automobiles, § 280F(a) imposes dollar limitations on the depreciation deduction for the year the taxpayer places the passenger automobile in service and for each succeeding year. For passenger automobiles placed in service

¹ Unless otherwise specified, all “section” or “§” references are to sections of the Code or the Income Tax Regulations (26 CFR part 1).

after 2018, § 280F(d)(7) requires the Internal Revenue Service to increase the amounts allowable as depreciation deductions by a price inflation adjustment amount that is determined using the automobile component of the Chained Consumer Price Index for All Urban Consumers published by the Department of Labor (C-CPI-U).

.02 Section 168(k), as amended by Public Law 119-21, 139 Stat. 72 (July 4, 2025), commonly known as the One, Big, Beautiful Bill Act (OBBBA), applies to property acquired and placed in service after January 19, 2025.² Section 168(k)(1), as amended by the OBBBA, allows an additional first year depreciation deduction under § 167(a) equal to 100 percent of the property's adjusted basis for the taxable year in which qualified property, as defined in § 168(k)(2), is placed in service.

Section 168(k), as in effect prior to amendment by the OBBBA (former § 168(k)), applies to property acquired after September 27, 2017, and before January 20, 2025, which is placed in service before January 1, 2027. Former section 168(k)(1) provides that the § 168(k) additional first year depreciation deduction is equal to the applicable percentage of the property's adjusted basis. Pursuant to former § 168(k)(6)(A), the applicable percentage is 100 percent for qualified property placed in service after September 27, 2017, and before January 1, 2023, and is phased down 20 percent each year thereafter for property placed in service through December 31, 2026. Accordingly, the applicable percentage for qualified property acquired after September 27, 2017, and before January 20, 2025, and placed in service during calendar year 2026 is 20 percent.

For qualified property acquired and placed in service after September 27, 2017,

² See section 70301(c) of the OBBBA. In determining whether property is acquired after January 19, 2025, for purposes of section 70301(c) of the OBBBA, the taxpayer applies rules consistent with §§ 1.168(k)-2(b)(5) and 1.1502-68(a) through (d). See section 3.03 of Notice 2026-11, 2026-6 I.R.B. 491.

§ 168(k)(2)(F)(i) increases the first-year depreciation allowed under § 280F(a)(1)(A)(i) by \$8,000.

.03 Tables 1 and 2 of this revenue procedure provide depreciation limitations for passenger automobiles placed in service by the taxpayer during calendar year 2026. Table 1 provides depreciation limitations for passenger automobiles acquired by the taxpayer after September 27, 2017, and placed in service by the taxpayer during calendar year 2026, for which the § 168(k) additional first year depreciation deduction applies. The depreciation limitations in Table 1 apply regardless of whether the § 168(k) additional first year depreciation deduction is allowed under former § 168(k) or § 168(k) as amended by the OBBBA. Table 2 provides depreciation limitations for passenger automobiles placed in service by the taxpayer during calendar year 2026 for which no § 168(k) additional first year depreciation deduction applies. The § 168(k) additional first year depreciation deduction does not apply for 2026 if the taxpayer: (1) did not use the passenger automobile during 2026 more than 50 percent for business purposes; (2) elected out of the § 168(k) additional first year depreciation deduction pursuant to § 168(k)(7) for the class of property that includes passenger automobiles; (3) acquired a used passenger automobile and the acquisition of such property did not meet the acquisition requirements in § 168(k)(2)(E) and § 1.168(k)-2(b)(3)(iii) of the Income Tax Regulations;³ or (4) acquired the passenger automobile before September 28, 2017.

.04 Section 280F(c)(2) requires a reduction to the amount allowable as a deduction

³ For a used passenger automobile acquired after January 19, 2025, the taxpayer applies rules consistent with the rules in § 1.168(k)-2(b)(3)(iii) to determine if the property meets the acquisition requirements in § 168(k)(2)(E). See section 3.02 of Notice 2026-11, 2026-6 I.R.B. 491.

to the lessee of a leased passenger automobile. Pursuant to § 280F(c)(3), the reduction must be substantially equivalent to the limitations on the depreciation deductions imposed on owners of passenger automobiles. Under § 1.280F-7(a), this reduction is accomplished by requiring the lessee to include in gross income an amount determined by applying a formula to a dollar amount obtained from a table.

.05 Table 3 of this revenue procedure provides the dollar amount used by lessees of passenger automobiles with a lease term beginning in 2026 to determine the income inclusion amount for those passenger automobiles. The table provides dollar amounts for a range of passenger automobile fair market values.

SECTION 3. SCOPE

.01 The limitations on depreciation deductions in Tables 1 and 2 in section 4.01(2) of this revenue procedure apply to passenger automobiles, other than leased passenger automobiles, that are placed in service by the taxpayer in calendar year 2026 and continue to apply for each taxable year that the passenger automobile remains in service.

.02 The dollar amounts in Table 3 of this revenue procedure apply to leased passenger automobiles with a lease term beginning in calendar year 2026 and continue to apply for each taxable year during the lease.

.03 For other recent calendar years, see Rev. Proc. 2021-31, 2021-34 I.R.B. 324, for passenger automobiles placed in service or leased during calendar year 2021; Rev. Proc. 2022-17, 2022-13 I.R.B. 930, for passenger automobiles placed in service or leased during calendar year 2022; Rev. Proc. 2023-14, 2023-6 I.R.B. 466, for passenger automobiles placed in service or leased during calendar year 2023; Rev.

Proc. 2024-13, 2024-9 I.R.B. 678, for passenger automobiles placed in service or leased during calendar year 2024; and Rev. Proc. 2025-16, 2025-11 I.R.B. 1100, for passenger automobiles placed in service or leased during calendar year 2025.

SECTION 4. APPLICATION

.01 Limitations on Depreciation Deductions for Certain Automobiles.

(1) Amount of the inflation adjustment. Under § 280F(d)(7)(B)(i), the automobile price inflation adjustment for any calendar year is the percentage (if any) by which the C-CPI-U automobile component for October of the preceding calendar year exceeds the automobile component of the CPI (as defined in § 1(f)(4)) for October of 2017, multiplied by the amount determined under § 1(f)(3)(B). The amount determined under § 1(f)(3)(B) is the amount obtained by dividing the new vehicle component of the C-CPI-U for calendar year 2016 by the new vehicle component of the CPI for calendar year 2016, where the C-CPI-U and the CPI for calendar year 2016 means the average of such amounts as of the close of the 12-month period ending on August 31, 2016. Section 280F(d)(7)(B)(ii) defines the term "C-CPI-U automobile component" as the automobile component of the Chained Consumer Price Index for All Urban Consumers as described in § 1(f)(6). The product of the October 2017 CPI new vehicle component (144.868) and the amount determined under § 1(f)(3)(B) (0.694370319) is 100.592. The new vehicle component of the C-CPI-U released in December 2025 was 124.199 for October 2025. The October 2025 C-CPI-U new vehicle component exceeded the product of the October 2017 CPI new vehicle component and the amount determined under § 1(f)(3)(B) by 23.607 (124.199 - 100.592). The percentage by which the C-CPI-U new vehicle component for October 2025 exceeds the product of the new vehicle

component of the CPI for October of 2017 and the amount determined under § 1(f)(3)(B) is 23.468 percent ($23.607/100.592 \times 100\%$), the automobile price inflation adjustment for 2026 for passenger automobiles. The dollar limitations in § 280F(a) are therefore multiplied by a factor of 0.23468, and the resulting increases, after rounding to the nearest \$100, are added to the 2018 limitations to give the depreciation limitations applicable to passenger automobiles for calendar year 2026. This adjustment applies to all passenger automobiles that are placed in service in calendar year 2026.

(2) Amount of the limitation. Tables 1 and 2 of this revenue procedure contain the depreciation limitation for each taxable year for passenger automobiles a taxpayer placed in service during calendar year 2026. Use Table 1 for a passenger automobile to which the § 168(k) additional first year depreciation deduction applies that is acquired by the taxpayer after September 27, 2017, and placed in service by the taxpayer during calendar year 2026. The depreciation limitations in Table 1 apply regardless of whether the § 168(k) additional first year depreciation deduction is allowed under former § 168(k) or § 168(k) as amended by the OBBBA. Use Table 2 for a passenger automobile placed in service by the taxpayer during calendar year 2026 for which no § 168(k) additional first year depreciation deduction applies.

REV. PROC. 2026-15 TABLE 1

DEPRECIATION LIMITATIONS FOR PASSENGER AUTOMOBILES ACQUIRED AFTER SEPTEMBER 27, 2017, AND PLACED IN SERVICE DURING CALENDAR YEAR 2026, FOR WHICH THE § 168(k) ADDITIONAL FIRST YEAR DEPRECIATION DEDUCTION APPLIES

Tax Year	Amount
1st Tax Year	\$ 20,300
2nd Tax Year	\$ 19,800
3rd Tax Year	\$ 11,900
Each Succeeding Year	\$ 7,160

REV. PROC. 2026-15 TABLE 2

DEPRECIATION LIMITATIONS FOR PASSENGER AUTOMOBILES PLACED IN SERVICE DURING CALENDAR YEAR 2026 FOR WHICH NO § 168(k) ADDITIONAL FIRST YEAR DEPRECIATION DEDUCTION APPLIES

Tax Year	Amount
1st Tax Year	\$ 12,300
2nd Tax Year	\$ 19,800
3rd Tax Year	\$ 11,900
Each Succeeding Year	\$ 7,160

.02 Inclusions in Income of Lessees of Passenger Automobiles.

A taxpayer must follow the procedures in § 1.280F-7(a) for determining the inclusion amounts for passenger automobiles with a lease term beginning in calendar year 2026. In applying these procedures, lessees of passenger automobiles should use Table 3 of this revenue procedure.

REV. PROC. 2026-15 TABLE 3

DOLLAR AMOUNTS FOR PASSENGER AUTOMOBILES
WITH A LEASE TERM BEGINNING IN CALENDAR YEAR 2026

Fair Market Value of Passenger Automobile Over	Fair Market Value of Passenger Automobile Not Over	1 st Tax Year During Lease	2 nd Tax Year During Lease	3 rd Tax Year During Lease	4 th Tax Year During Lease	5 th Tax Year During Lease & Later
\$62,000	\$64,000	8	15	21	25	27
64,000	66,000	19	38	56	66	76
66,000	68,000	29	62	91	108	123
68,000	70,000	40	86	125	149	172
70,000	72,000	51	109	160	191	220
72,000	74,000	61	133	195	232	268
74,000	76,000	72	156	230	274	316
76,000	78,000	83	179	265	316	364
78,000	80,000	93	203	299	358	412
80,000	85,000	112	244	360	431	496
85,000	90,000	139	302	447	535	617
90,000	95,000	166	361	534	639	737
95,000	100,000	192	420	621	743	858
100,000	110,000	232	507	752	900	1,038
110,000	120,000	286	624	926	1,108	1,279
120,000	130,000	339	742	1,099	1,317	1,520
130,000	140,000	392	859	1,273	1,526	1,760
140,000	150,000	446	976	1,447	1,734	2,001
150,000	160,000	499	1,093	1,621	1,943	2,242
160,000	170,000	553	1,210	1,795	2,151	2,483
170,000	180,000	606	1,328	1,968	2,360	2,723
180,000	190,000	659	1,445	2,142	2,569	2,964
190,000	200,000	713	1,562	2,316	2,777	3,205
200,000	210,000	766	1,679	2,490	2,986	3,445
210,000	220,000	820	1,796	2,664	3,194	3,686
220,000	230,000	873	1,913	2,838	3,403	3,927
230,000	240,000	926	2,031	3,012	3,610	4,168
240,000	250,000	980	2,148	3,185	3,820	4,408
250,000	260,000	1,033	2,265	3,360	4,027	4,650
260,000	270,000	1,086	2,382	3,534	4,236	4,890
270,000	280,000	1,140	2,499	3,708	4,444	5,131
280,000	290,000	1,193	2,617	3,881	4,653	5,372
\$290,000	\$300,000	1,247	2,733	4,056	4,862	5,612

Fair Market Value of Passenger Automobile Over	Fair Market Value of Passenger Automobile Not Over	1 st Tax Year During Lease	2 nd Tax Year During Lease	3 rd Tax Year During Lease	4 th Tax Year During Lease	5 th Tax Year During Lease & Later
300,000	310,000	1,300	2,851	4,229	5,070	5,854
310,000	320,000	1,353	2,968	4,403	5,279	6,094
320,000	330,000	1,407	3,085	4,577	5,487	6,335
330,000	340,000	1,460	3,202	4,751	5,696	6,576
340,000	350,000	1,514	3,319	4,925	5,904	6,817
350,000	360,000	1,567	3,437	5,098	6,113	7,057
360,000	370,000	1,620	3,554	5,273	6,321	7,298
370,000	380,000	1,674	3,671	5,446	6,530	7,539
380,000	390,000	1,727	3,788	5,621	6,738	7,779
390,000	400,000	1,781	3,905	5,794	6,947	8,020
400,000	410,000	1,834	4,022	5,969	7,155	8,261
410,000	420,000	1,887	4,140	6,142	7,364	8,501
420,000	430,000	1,941	4,257	6,316	7,572	8,742
430,000	440,000	1,994	4,374	6,490	7,781	8,983
440,000	450,000	2,047	4,491	6,664	7,990	9,223
450,000	460,000	2,101	4,608	6,838	8,198	9,464
460,000	470,000	2,154	4,726	7,011	8,407	9,705
470,000	480,000	2,208	4,843	7,185	8,615	9,946
480,000	490,000	2,261	4,960	7,359	8,824	10,186
490,000	500,000	2,314	5,077	7,533	9,033	10,427
500,000	and over	2,368	5,194	7,707	9,241	10,668

SECTION 5. EFFECTIVE DATE

This revenue procedure applies to passenger automobiles placed in service during calendar year 2026 or with a lease term beginning in calendar year 2026.

SECTION 6. DRAFTING INFORMATION

The principal authors of this notice are personnel from the Office of Associate Chief Counsel (Income Tax and Accounting). For further information regarding this revenue procedure, please contact the Office of the Associate Chief Counsel (Income Tax and Accounting), Branch 7, at (202) 317-7005 (not a toll-free number).