

DOERING LEASING CO.

eZINE

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FUEL MANAGEMENT

Save 10-15% on fuel!

A properly utilized fuel card program can track fuel (grade) usage, monitor MPG, detect and/or prevent driver fraud, and provide an accurate assessment of spending per driver. The program can be customized for your use and consolidates all fuel spend onto one monthly bill.

Drivers have their choice of the cheapest fueling locations and do not drive out of their way to go to a specific branded station because they have a branded fuel card. Fuel cards are not credit cards, further

Issue: # 43

October 2014

Dear Adam,

"Today knowledge has power. It controls access to opportunity and advancement." - Peter Drucker

Knowledge betters us and ensures our decisions are well-informed. Doering imparts a breadth of knowledge, ideas, and paths to execution.

Much more information is available in the website newsletter [archive!](#) We enjoy sharing our expertise and industry information with you.



2014 Tax Strategy

By: Adam Berger, Vice President
Doering Leasing Co. & Doering Fleet Management

In 2014, accountants and business attorneys alike have been advising clients about a little-known change for the 2014 tax year, a drastic reduction in IRS Section 179 expensing allowances from \$500,000 to \$25,000. Section 179 allows a firm to expense, rather than capitalize qualifying assets newly acquired in the particular tax year. In the case of a \$30,000 pickup truck, the law previously allowed companies to expense such a truck entirely in year one. But the reduced allowance means the \$5,000 balance exceeding the Section 179 allowance must be capitalized and all future acquisitions capitalized.

Critical to the understanding of this drastic change is that the limit is not "per vehicle/per piece of equipment" but rather cumulatively for all qualifying acquisitions in the tax year. A firm that acquires new machinery, software, and vehicles in 2014 is facing a dramatically different picture than in prior years. It can be expected that nearly every organization with these assets will hit the Section 179 limit now. This makes leasing even more critical in 2014 and beyond.

Once the expense is taken in the initial year, no further tax benefits apply in subsequent years. In contrast, leasing provides real-time recognition of tax benefits received for payments made. If a firm acquires an expensive piece of software in 2014 costing \$25,000, any subsequent vehicle acquisitions or equipment acquisitions must be capitalized.

Leasing does not allow you to expense the entire cost of an asset in one

preventing fraud and accidental loss.

Doering Fleet Management offers a comprehensive fuel card program underwritten by Wright Express, the largest fuel card in the nation and most widely accepted. Contact your Doering representative for more information!

**DID YOU KNOW
DOERING OFFERS:**

**MANAGED
MAINTENANCE
PROGRAMS**

Managed maintenance institutes preventative maintenance schedules and results in improved vehicle resale value while minimizing maintenance costs utilizing national pricing. Nationwide maintenance management with online management reporting on your fleet across the nation. 20% net savings are commonplace.

Consistency in vehicle maintenance is restored as drivers no longer are tasked with authorizing maintenance or paying for it. Maintenance is approved and paid centrally by Doering's 60 ASE certified mechanics.

**NATIONWIDE TITLE
AND REGISTRATION
MANAGEMENT**

FUEL MANAGEMENT

**ACCIDENT
MANAGEMENT**

DRIVER TESTING

year it is the best option for sustainable tax treatment of new vehicles and equipment to minimize tax liability consistently, year after year. Section 179 creates peaks and valleys that must be managed and, applies only to smaller companies that fall beneath the acquisition limits.

Whether it is one pickup truck, one plow, one piece of machinery, or a new software package - making the most advantageous decision for your firm from a tax perspective is critical. The benefits of leasing are numerous, but the consistent expensing of costs year-after-year that leasing provides makes budgeting easier, it maximizes tax benefits, and results in less jockeying with the IRS's ever-changing whim.

It was uncertain until Q4 2014 if the IRS would change the 2014 IRS Section 179 allowance and reinstitute it at the \$500,000 level. Businesses acquiring new vehicles, equipment, and software were unable to make informed decisions during that time. Leasing is always a safe bet and provides clear and consistent tax benefits for both income and sales tax. The benefits may not be as great in year one compared to Section 179, but they can be relied upon year-after-year and maximize tax benefits overall.

Ask yourself - what would you do differently if you knew the IRS Section 179 limit were higher for 2015 vs. the current level? Leases can be setup to qualify for Section 179 also!

The position of the IRS is constantly changing; leasing remains steadfast in its tax benefits - consistent and certain. The core benefits to leasing remain - cash flow, lower payments, sales tax savings in most states, off-balance sheet finance and more.

"If money is your hope for independence you will never have it. The only real security that a man will have in this world is a reserve of knowledge, experience, and ability" - Henry Ford

*Consult your tax advisor. Doering's statements are meant as advice but we encourage you to seek the professional council of your CPA or business attorney.

Ford to Offer Pair of Cutaway Van Models Through 2019



Work Truck

Ford will offer cutaway van models of its E-Series as well as its 2015 Transit, but doesn't view the move as competing with itself, because the offerings compete in different weight classes.

Ford is phasing out its venerable E-Series cargo and passenger van this year to make way for Transit models it has sold in Europe for nearly five decades. Ford will continue to produce the E-450 cutaway in addition to

PERSONAL MILEAGE REPORTING

AND MUCH MORE!

Interested in having Doering speak at an event or to your group?

Our expert staff will gladly speak to your organization or group on topics such as buy vs. lease, fleet management and best practices.

Click [here](#) to have one of our experts contact you.

Fleet Safety Tip: Dealing With Hail Storms

Automotive Fleet

It's fairly common for fleet drivers to underestimate the damage that a severe hail storm can cause, particularly those drivers who have lived primarily in regions known for mild weather. But a hail storm is capable of causing major personal injuries and costly vehicle damage in a matter of minutes.

Hail damaged vehicles carry branded titles in most cases and severely impact resale value.

Here are some safety tips, primarily from Progressive Insurance, which you can pass along to fleet drivers as a friendly reminder:

- * Always check the weather forecast before proceeding with road trip plans. If a hail storm is forecast, park your vehicle in a garage or under a covered structure to protect against damage.

introducing a Transit cutaway. Ford will offer the two versions until the end of 2019.

The two cutaways are complementary offerings because they offer different GVWR ranges. The E-450 cutaway accommodates up to 14,500 pounds, while the Transit cutaway accommodates up to 10,360 pounds.

Ford is offering its Transit in 58 configurations in cargo, passenger, cutaway, and chassis cab models with three body lengths, two wheelbases, and three roof heights.

Important DOT Reminders

1 - Any driver in a DOT eligible vehicle may not use a handheld mobile phone no matter the state law pertaining to the general public on the matter. The penalties are up to \$2,750 for the driver and up to \$11,000 for the company.

2 - You are required to obtain a USDOT number if you have a vehicle that:

- * Has a gross vehicle weight rating or gross combination weight rating, or gross vehicle weight or gross combination weight, of 4,536 kg (10,001 pounds) or more, whichever is greater; or
- * Is designed or used to transport more than 8 passengers (including the driver) for compensation; or
- * Is designed or used to transport more than 15 passengers, including the driver, and is not used to transport passengers for compensation; or
- * Is used in transporting material found by the Secretary of Transportation to be hazardous and transported in a quantity requiring placarding.
- * Is involved in Interstate commerce

Tesla Unveils Exotic Features, Go-Fast Model *Technology Trickles Down*



- Model S

USA Today

Tesla Motors announced the roll out of an exotic suite of driver-aid and safety features.

* Stay inside once the hail storm begins. Falling hail can easily cause injury.

* If you unexpectedly drive into a hail storm, look for a covered structure where you can safely park. If no covered structure is available, park in the safest possible place to prevent hail from breaking the windows. Keep in mind that driving compounds hail's impact with your vehicle. Stopping under an overpass is one option. Don't forget to pull out of traffic lanes and onto a shoulder. Avoid ditches because of possible high-rising water.

* Keep your vehicle angled so any falling hail hits the front, rather than the back or sides, of the vehicle. Windshields are reinforced to withstand forward driving and pelting objects. Side windows and back glass are not, so they're more prone to breakage.

* Lie down, if possible, and keep your back to the windows. If you have a blanket, cover yourself to prevent possible debris from hitting you.

DOERING LEASING CO.

Trouble budgeting for fleet costs?

Looking for predictable costs for vehicles, maintenance, and fuel?

WE CAN HELP.

A free fleet evaluation from Doering is

Additional features over time, combined with the current features, will give the car semi-autonomous abilities, like setting auto-pilot on an airplane.

Tesla also announced that it'll have a version of its Model S that has all-wheel drive and blasts to 60 mph in little more than 3 seconds.

The all-wheel-drive versions of its Model S electric car will manage a slight increase in range of about 10 miles on a charge vs. the rear-drive models - for a maximum of 275 miles - because of efficiencies designed into the new system.

The AWD cars have a second electric motor to drive the front wheels.

The AWD cars will carry the designation D, and the new top version of the AWD Model S will be designated P85D. Buyers begin receiving those in December.

The other AWD models, 60D and 85D, arrive in buyers' hands in February.



- Model X, not yet released

Tesla has told customers who placed deposits on its forthcoming Model X SUV that the vehicle will be produced starting in early 2015 as expected. That's good news for buyers, many of whom put down \$5,000 or \$40,000 with the company more than 2 years ago. It is also important for the company, which could use the more versatile vehicle to reach new market segments and see a significant uptick in sales as a result.

The premium is due in part to the fact that all Model X crossovers will come with two motors to support all-wheel drive and they will also sport rear "falcon-wing" doors that are hinged in two locations. These will allow easier access to the rear of the vehicle as well as tighter parking in lots and garages.

Tesla's suite of safety features and driver aids is partly catch-up, partly leapfrog. Tesla says the cars it's building now have forward-mounted radar, a camera and 12 sensors each able to "see" 16 feet to enable the safety tech.

It also ties the system into the steering, braking and GPS, making it capable of unusual tricks that can't be matched by other cars.

Highlights:

*The new system will move the car over a lane when the driver uses the turn signal.

*The car reads speed-limit signs and adjusts the car to the speed on the sign.

*Drivers will be able to get out of the car in their driveways and watch it park itself in the garage. When drivers are ready to leave, the car will be able to drive itself up, with the car's temperature and stereo system set to the driver's preferences.

available. Doering recommends only what is necessary, creating a custom plan for you or your firm.

Leasing is safer and more flexible than ownership and provides capital and preserves credit lines, whether or not they are needed. Leasing provides predictable costs and tax benefits year over year.

Doering Leasing Co. continues to operate with availability to capital for credit-qualified clients in the same method that has been used in the fleet industry for over 70 years.

Ready to Talk about Fleet Management Yet?



\$2242 per car. That is the average savings Doering provided per vehicle in 2013. That is cash savings. Add to that tax benefits and cash flow. It's worth your time and attention.

You deserve to understand best practices in fleet management and see the savings and value proposition fleet management provides.

Still thinking? Doering Fleet Management has sold clients' used vehicles on average 30-40% over popular car valuation tool values, translating to thousands of dollars back to those companies. In some cases, Doering has sold cars 50-100% over KBB and Edmunds values. That translates to more cash in your pocket, not the dealer's.

If this newsletter was useful to you and imparted knowledge and ideas as it was intended to do, it was a success. If it did not, please provide the much-needed feedback.

This eZine provided by Doering Leasing Co. and Doering Fleet Management.

Please call me directly with any questions at 262-395-4961. We are advocates of educating -- you and ourselves. We're practitioners offering expertise and service as part of long-term partnerships. We have satisfied clients. If you're not one already, contact us to see if fleet management and/or leasing makes sense for you.

Sincerely,

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Many articles or content thereof are from various industry sources. The information is intended to be advisory in nature, but should not be relied upon without proper guidance, consultation and advice, both from a fleet manager and an accountant, as needed.

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