



By: Gary Weilheimer CEO

TAXES, TIPS & NEWS

The end of year is fast approaching and shortly thereafter it will be time to file your 2019 tax returns. I thought it would be beneficial to provide our Owner-Operators some tax breaks available to improve their cash flow. With all the changes in tax breaks and tax cuts, it is essential to stay up-to-date, especially if you are doing your own taxes. The most important thing to remember throughout the year is to keep your receipts.

Owner-Operators incur a considerable amount of business expenses, therefore the IRS has several tax deductions in place for Owner-Operators, allowing them to reduce their tax liability by a significant amount. Here we look at some of the lesser-known tax deductions of which you may not be aware.

Tax Filing Dates for 2019 year end:
S Corporation and Partnership Returns – Due March 16, 2020
C Corporation, Sole Proprietor & Single Member LLC Returns– Due April 15, 2020
Form 1040 Individual Tax Return – April 15, 2020

You may file an extension in the event you are not able to complete by above dates, however this is NOT an extension to pay your taxes.

Per-Diem Meals
- is a tax deduction for meals and incidental expenses on the days you are working away from home. The current rate is 80% of \$66 per full day, and ¼ of this amount for partial days. Partial days are the day you leave home and the day you return. Full days are any day you need to stop driving due to the hours of service rules or unable to drive due to on the road repairs. Visiting family or friends for a few days does not count as Per Diem days. If you are using a motel/hotel while on the road, Per Diem is still a valid deductible, but not during home time.

General Business Expenses:
Owner-operators can usually deduct the following expenses: trucking-industry and business-related subscriptions, association dues, computers and software, Internet service, cleaning supplies, business interest, office supplies, DOT physicals, drug testing, sleep apnea studies, postage and other business-related expenses.

Personal Needs:
Operating a truck on the open road requires certain specialized items such as flashlights, sunglasses, gloves, coolers and log books, among others. These are generally 100% tax deductible.

Tools:
Wrenches, hammers, and power tools necessary to the smooth operation of the vehicle are usually deductible.

Clothing:
Uniforms, steel-toed boots, hangers, rain gear, and other clothing-related items are generally tax deductible, but not general everyday clothing that everyone needs to buy.

If you purchased an Auxiliary Power Unit this year, you can receive a tax credit for this purchase. Send your tax preparer the receipt or the Bill of Sale for the APU. Also, write down the hours it was used or gallons of fuel used so they can provide the tax credit.

Vehicle (Tractor) Cost Write-Offs – The current tax code provides several options for writing off the cost of a vehicle during the year the property is acquired and put into service, including immediate expensing (IRC Section 179) of up to \$1,020,000 (for 2019); Bonus depreciation allowances first-year depreciation equal to 100% of the vehicle's cost; 50% bonus depreciation election instead of the 100%; normal depreciation; or a combination of all. These options give owner-operators flexibility for a write-off amount to best suit their particular circumstances. For normal depreciation, the IRS allows a recovery period of 3 years for over-the-road tractor units and of 5 years for trailers, trailer-mounted containers and heavy-duty trucks (13,000 pounds or more).

A taxpayer-favorable development is that bonus depreciation is now permitted for both new and used property acquired by purchase provided the property was not used by the taxpayer before the taxpayer acquired it (i.e., the taxpayer did not have a depreciable interest in the property prior to acquisition) and it was not used by a related party.

Truck Lease – All lease payments, except the down payment is deductible when you have a lease-purchase agreement.

Tax Cuts and Jobs Act of 2017

The Tax Cuts and Jobs Act is a reform law which went into effect December 2017. Although there were many concerns when this law was proposed, owner-operators will continue to claim the daily per diem. The reform law allows for a 20% deduction for pass-through entities; this will apply to many owner-operators.

A pass-through entity is described as an owner-operator business which has been set up as one of the following:

- Sole proprietorship
- Limited liability corporations (LLC)
- S corporations
- Partnerships

It is recommended for owner-operators to speak with a business service professional to ensure they are getting the most savings out of the new tax system. Eighty percent of owner-operators net profit is all that will be taxed beginning with the 2018 tax year.

I hope you found the above quick tips useful. Now, I would like us to reflect back on some of the company's 2019 Highlights! We are looking forward to another great year! Thank you again for your dedication and commitment!

2019 Year in Review



Truck Driver of the Year

Congrats to our 2019 Truck Driver of the Year, Mr. Millard Ray Daughtery. Ray is known as one of the most honest & hard-working truck drivers.

2019 TRUCK SHOW EXHIBITIONS



NHH Services exhibited at two truck shows in 2019, including the largest annual heavy-duty trucking show in the industry, Mid-America Trucking Show. At both shows, NHH was able to reconnect with existing owner-operators and meet new ones, some which have come on board with the NHH team!



DRIVER'S LOUNGE

This year, NHH opened a Driver's lounge and truck yard with full amenities for all to use.

Located at NHH's Wallisville, TX yard, the lounge is equipped with a full kitchen where there's always fresh coffee brewing, a washer/dryer, restroom and shower, driver's lounge with couch, seating and basic cable, and plenty of electrical outlets for charging phones and laptops.

Stop in and freshen up the next time you are passing through the Houston area!

[Read More](#)

TRUCK STOP VISITS

Thank You!

In 2019, we hosted truck stop visits at 8 Travel Centers of America. This gave us the opportunity to show all truck drivers on the road our appreciation for what they do every day.



CHECK IT OUT!



Have you seen our billboard along I-10 in Texas? The sign went up in early 2019 and we have had a great response since.

WINNER, WINNER!



One of our female owner-operators was the 1st Runner-up in the fifth annual "I HEART Trucking" photo contest in the People's Choice category. We are so proud to have her on our team!

HANDS-ON TRAINING



In 2019 we hosted several hands-on training and safety training courses, including a transition to flatbed training class. Just another added perk we provide to take care of our people.

DID YOU HEAR?

We Opened a NEW Office!

Great News!
We opened a new office in Kokomo, IN.

