

Write Off Your Biggest Expenses

You've probably wondered, at least once, what is deductible, and what is not. The answer is 'it depends.' And that is undoubtedly the most frustrating answer a brand new business owner can get.

Let's start off by looking at what it really takes to have a deductible business deduction.

What's Deductible?

The IRS definition of a deductible expense is just twenty-seven words long:

There shall be allowed as a deduction, all the ordinary and necessary expenses paid or incurred during the taxable year in carrying on any trade or business.

Now it gets tricky! What exactly is ordinary and necessary? It's all subject to interpretation, like a lot of the tax code. In this case, there have been a lot of federal court decisions trying to interpret what those words mean. The consensus of all of that additional tax law gives us the following additional definitions:

Ordinary Expenses: Expenses that are normal, common, and accepted under the circumstances by the business community.

Necessary Expenses: Expenses that are appropriate and helpful.

Those are the guidelines - and now it gets fun! Just about anything can be a deduction if it helps your business. At USTaxAid seminars, I often lead the group in a “discover you hidden deductions” interactive portion. I have the group shout out the expenses they have in their personal life and then, as a group, we come up with situations where it could be deductible.

We’ve found ways to make your travel, kids, home, vacation, computer equipment, clothing and even your pets deductible. It all depends on what you’re doing with the business.

One time, though, a man in the front row was insistent with trying to find a way to write off his bed. I wasn’t sure that we really wanted to discuss the business purpose for his bed in the seminar. So, I ended up just saying that not everything every time will be deductible. And, that’s true for your deductions. Not everything will always be deductible. There’s an old saying that pigs get fat and hogs get slaughtered. Don’t get slaughtered.

Your Hidden Business Deductions

When we talk about the “hidden business deductions”, we’re generally talking about expenses that you normally would have anyway. There are things you might likely spend money on such as a home office, auto, cell phone, computer, computer ISP, etc.

This is where people have gotten in trouble. Remember you have to first have a business and then you must have a business purpose. Can you pay your kids a salary and take the deduction? Of course. But you have to have a business and they have to be doing work that supports the business. Likewise you can take a deduction for travel that is part vacation, but you can't magically change a vacation into a tax deduction by having a corporation or by signing up for a network marketing company or MLM (multi-level marketing or direct selling company). Unfortunately there are plenty of so-called 'experts' who can lead you astray here, simply because they want to sell you a corporation or get you to sign up for the program. Make sure you get good qualified advice before you take the deductions!

At the same time, don't let the past bad acts of others stop you from taking advantage of the tax benefits from deductions. Having a business isn't a red flag and neither is taking all the deductions that are legally due you.

Let's go over the most commonly overlooked business deductions. Chances are you have these deductions available already for your business.

Commonly Overlooked Business Deductions

Auto

There are many ways to deduct the cost of an auto. And, that can be confusing. Using the values for the year 2010, here are the simple facts about autos:

- You can buy a car in the name of your business. The business can deduct the cost of maintaining the car (gas, oil, repairs, tires, car washes, and so forth). Plus, the business can deduct the interest portion of any payments and then depreciate the car, using the limits established by the government.
- For passenger automobiles (other than trucks or vans) placed in service during calendar 2010, the depreciation limit under IRC §280F(d)(7) is \$3,060 for the first tax year; \$4,900 for the second tax year; \$2,950 for the third tax year; and \$1,775 for each successive tax year. Trucks and vans have higher limits: \$3,160 for the first tax year; \$5,100 for the second tax year; \$3,050 for the third tax year; and \$1,875 for each successive tax year.
- You can lease a car in the name of your business. However, most likely not all of the lease will be deductible. A portion will have to be “added back” for tax purposes. For example, a vehicle worth \$30,000 will have to have a little more than \$200 of the lease added back in the first year.

- You can buy or lease the car yourself, and be reimbursed for mileage at the current rate. Beginning on Jan. 1, 2010, the standard mileage rates for the use of a car (also vans, pickups or panel trucks) will be:
 - 50 cents per mile for business miles driven
 - 16.5 cents per mile driven for medical or moving purposes
 - 14 cents per mile driven in service of charitable organizations

The payment is deducted from the business income, but is not considered income for you.

If you buy a vehicle that is over 6000 GVW (gross vehicle weight), the luxury automobile limitation does not apply. In this case, your business can depreciate the vehicle just like it was any other piece of equipment. That includes being able to make a Section 179 deduction of \$25,000 right up front. But bear in mind that the vehicle must be used for business at least 50% of the time, and depreciation limits will be reduced by the corresponding percentage of personal use. In other words, if you use it for work 75% of the time, you can take a deduction of 75% of \$25,000, or \$18,750.

The following 2011 models qualify as being over 6000 GVW. You'll find a larger list going back for the past several years at the end of this handout. Remember, the vehicle doesn't have to be new to take the deduction - it just has to be new to you.

Model Year 2011:

- BMW: X5 M, X5 XDrive 35D, X6 Hybrid, X6 M
- Ford Truck: F-250 2WD & 4WD, F-350 2- and 4WD, Flex 4WD
- Honda: Pilot 4WD
- Lincoln: MKT & MKT AWD

Bad Debt

Bad debt is a commonly misunderstood deduction. It is most overlooked at the personal level, though, and not at a business level. An individual can write off as bad debt loans made to anyone that have been "written off" with no hope of collection. An individual can also take a deduction for debt or expenses paid on behalf of others that will not be repaid. The burden of proof will be on whether the item is actually a gift. (A gift is not tax deductible.) To prove a bad debt, you must attempt to collect just as you would with any other debt.

The best bet is to first have a note drawn up for all loans and then show proof of collection attempt by sending a certified letter with a return receipt requested demanding payment.

While you may tend to overlook the bad debt expense at an individual level, you may mistakenly try to take a bad debt expense deduction for a business when it is not allowed.

The only way that a business can take a bad debt expense is if the income was first reported and tax was paid on it. In other words, if your business is accrual-based, which means that accounts receivable are counted as income even if they have not been collected, then when that receivable is not collected, there is a bad debt expense. Most small businesses, however, are cash-based, which means that income is only counted when it is received. There cannot be a bad debt expense offsetting income, because the accounts receivable income was never recognized.

Business Start-Up

There are many expenses before you begin your business. And, unfortunately, since one of the steps is setting up your accounting system, and the expenses occur first, you might forget them. Here is a checklist of common start up expenses that you can deduct (or capitalize and amortize over sixty months). It is not complete. Use it as a memory jog for items you can deduct in your business.

- Legal Expenses: (will need to be amortized over sixty months). These are costs that you pay to an attorney or document preparation service to prepare the initial paperwork for your business. Those need to be amortized over sixty months. In other words, you can subtract 1/60 of the cost each month. After the business is going, most legal fees are deductible immediately.

- Business Structure Set-Up: (cost of corporation, etc. - amortized over sixty months). This includes the costs you pay to have special business structures set up-such as the cost of forming a corporation.
- Filing Fees. These are the costs paid to the state and local agencies for the privilege of doing business and include business licenses, state filing fees, fees for lists of directors and others. The exact fees will depend on the type and location of your business.
- Accounting Fees. Hopefully, you will consult with an accountant and bookkeeper to get your books set up as soon as possible. Those costs are deductible.
- Office Equipment. There is a lot of office equipment needed for a basic office in this electronic age. Computer, printer, fax machine, phone, desk, chair, file cabinets; these are just a few of the items needed. Many people already have some of these items before starting a business. Your business can pay you the fair market value for these items from its proceeds, but you need to track the expenses first.
- Office Furniture. Office furniture can include your desk, tables, chairs, and filing cabinets, as well as art you hang on the walls.

- Cost of Investigating Business (seminars, books, travel, advisors' fees). A prudent business owner takes time to investigate and learn all they can about their business in the early days. This can include going to seminars, buying books, subscribing to magazines, dues to professional organizations, travel to look at other businesses, and talk to advisors. ***IMPORTANT NOTE: If you are learning about a new business before you start it, the cost to train you for something new is not deductible. Likewise, the cost to investigate a business opportunity is a start-up expense and so must be capitalized, then amortized. If you start the business first, then the business training and further investigation cost is likely deductible.***
- Office Setup Costs (stationery, business cards, logo design). The cost of designing a logo, setting up a web site, preparing stationery, and so forth, are all part of the office setup costs.

Education Expenses

You can deduct education expenses when they are related to your current expense. There are two ways to expense education: 1) as education that is required to maintain or improve skills; and 2) under an education assistance plan. Currently, the Internal Revenue Code under Section 127 allows up to \$5,250 in annual tax-free assistance to each eligible employee. The education need not be job-related. Children of owners can qualify if they are over the age of twenty-one, are legitimate employees of the business, and are not dependents of the owners. You

will need to have a separate written plan for this deduction, cannot discriminate between employees, provide the benefit for highly compensated employees, and unfortunately, any owner of more than 5% of the company can not participate in the plan.

In summary, there are two different ways to deduct education expenses: (1) Education that is required to maintain or improve skills does not require a written plan and is not subject to the limits of \$5,250 per employee, or (2) Set up an education assistance plan for qualifying employees. Include a note in your minutes authorizing the plan and/or the expense.

Entertainment and Meal Expenses

It's amazing to me how many clients fail to count their business entertaining expenses. Any expense that is "directly related" to the business, and business is discussed or "associated with" the business, and the entertainment takes place immediately before or after a business decision, is deductible. Currently, 50% of those costs are deductible.

The directly-related test says that: 1) the main purpose of the combined business and entertainment was the active conduct of business; 2) you do conduct business with that person; and 3) you had more than a general expectation of getting income or other business benefit at some future time.

Business that is held in a clear business setting and is for business purposes is considered directly related. Examples are: (1) Entertainment in a hospitality room at a convention where business goodwill is created

through the display or discussion of business products, (2) Entertainment that is mainly a price rebate on the sale of your products (such as a restaurant owner providing an occasional free meal to a loyal customer), and (3) Entertainment of a clear business nature occurring under circumstances where there is no meaningful personal or social relationship between you and the persons entertained (such as entertainment of business and civic leaders at the opening of a new hotel or play when the purpose is to get business publicity rather than to create or maintain the goodwill of the persons entertained).

If you don't meet the directly related test, you may still meet the associated test. You must show that the entertainment is associated with your trade or business and that it directly precedes or follows a substantial business discussion. In this case, you must show that you actively engaged in a discussion, meeting, negotiation, or other business transaction to get income or some other specific business benefit. The meeting does not have to be for any specified length of time, but you must show that the business discussion was substantial in relation to the meal or entertainment. It is not necessary that you devote more time to business than to entertainment.

In some cases you can deduct 100% of the expense. To make this work it's something that needs to be provided for the "convenience of the employer." For example, if you pick up lunch for the staff so you can have a meeting, it's 100% deductible. If you pick up a coffee and bagel in the morning so you can work at your computer, it's 100% deductible.

Occasional and sporadic meal reimbursements and supper money for overtime work are excludable from gross income.

When a meal is provided so that employees are present for emergency work (emergency medical personnel who are on call, for instance), then the cost is 100% deductible.

When a meal is provided because business operations require a short lunch period and employees don't have time to eat elsewhere. (a short lunch period meal means less than one hour), then the cost is 100 percent deductible.

If more than half the meals provided at the on-premises eating facility are provided for the employer's convenience, then the balance of the meals also are treated the same. In other words, if more than half of your employees eat for free (tax-free that is), the rest do also.

Legal and Professional Fees

Fees that you pay to attorneys, tax strategists, accountants, bookkeepers, or other consultants can be deducted in the year you pay them. If the work clearly relates to future years, such as patent work, they must be deducted over the life of the benefit.

Travel Expenses

Deducting travel expenses has gotten more and more complex. Generally, when you travel for business, you can deduct many expenses such as the cost of the plane fare, costs of operating your car, taxi fare, lodging, meals, shipping business meals, clothes cleaning, telephone calls, faxes, and tips. If you combine business and pleasure, within the US, the trip is still deductible if the primary purpose is business. You can determine primary purpose by counting the number of days for business

compared to the number of nonbusiness days. If there are more business days than non-business days, then you have a deduction. What is a business day? It is a day in which you do business - any amount (but keep it reasonable). Document what you have done by making a note in your organizer or calendar. Keep copies of any literature or business cards you collect as part of your business.

Interest

If you use credit to finance business purchases, (like many start-up business), especially in the beginning, you can deduct the interest. If you take out a personal loan, such as a home equity loan, to fund business needs, then that interest is also deductible as a business deduction (but not a personal deduction as well). You will need to keep good records showing how the money or purchases were used in your business.

Moving Expenses

If you move your office, even if it is across the street, it is deductible. Many new business owners make the transition from home to executive suite to their own suite of offices. That's a lot of moves and they are all deductible. Many new business owners also get confused on this deduction and assume that the moving expense rules are the same for a business as they are for an individual. They are not. An individual can only take a moving expense if their new workplace is at least fifty miles farther from their old home than their old workplace was. A business is not subject to such restrictive rules.

Software

What would a modern business do without software? Don't forget this common expense, especially in your first year of business when you transfer all of the software you had previously purchased. The business should reimburse the cost to you, so it is a deduction.

Charitable Contribution/Promotion

If your business is formed under a flow-through entity (partnership or S corporation), your business can make a charitable contribution and pass the deduction through to you, to claim on your individual tax return. There are some limitations to the amount of a charitable deduction you will be able to take on your return. A C corporation can take deductions directly against their income, but is allowed in the current year only up to 10 percent of net profit. In many cases, there is actually a promotional aspect to what might be considered charitable contributions. For example, advertising in a program for an event sponsored for a local charity could actually be called a promotional expense. Wherever possible, look for promotional expenses within charitable deductions, so that you do not have problems with the limitation on charitable donations.

Taxes

There are many taxes that are deductible for your business. For example, sales tax paid on supplies and equipment for your business, excise taxes, fuel taxes, payroll tax, real estate taxes, personal property tax, city taxes, and state income tax are deductible for your federal

income tax. Your federal income tax is never deductible. The state income tax is not deductible for your state tax return.

Hidden Business Deductions

Now, let's look at some common hidden business deductions. These are the things that you are already be paying for with after tax dollars. But, with a business these can become legitimate business deductions.

I never recommend that my clients invest in something just for the write-off. Your only return will be the tax savings. At a 39.6% tax rate level that means if you buy something for \$1,000 the best you'll get is \$396.

Boat

If your boat has a rest room and a kitchen, then it can qualify as a second home. It's not a business deduction, but the interest on payments would be deductible.

A boat could also be a deduction if, again, it is needed as "ordinary" and "necessary." In other words, if you had a business that required that you have a boat - such as a photographer or fisherman or boat seller - it would be deduction. There is a famous story told by accountants of a man who went into his accountant and said he wanted to write off a new yacht. His accountant told him that he could not deduct it unless he had a business that needed it. That made the client angry enough to prove he could turn it into a business. So, he started a business selling yachts ... and made ten times more money than he ever had in his other business.

Children

There are many expenses associated with your children. The best plan is to have your children employed in your business so that they can pay for their own expenses. In this way, you are able to deduct the cost of their salary, up to approximately \$7,100, is not taxable to them. (Note that the amount changes each year.) You may not want to stop there, though. If you are in a high tax bracket, it may make sense to have your child pay tax at their lower tax rate. You'll get the deduction at your high rate and they pay at their lower rate.

There are three things we want to see if you do employ your children (or other dependents) in your business:

- A written job description
- A time card that shows the hours that have been worked
- Reasonable wages paid for the job performed

Clothing

The cost of items that are considered uniforms are deductible, as is the cost of cleaning such items. In other words, if you put a logo on your polo shirt, it is likely a business deduction, both for the cost of the shirt as well as the cleaning expense.

Gifts

Many gifts are really promotional gifts - the flowers you send as a thank-you or the gift certificate to a restaurant. These are more properly considered promotional items and are deductible as such.

Home Office

This deduction has gone through some wild swings in the last decade. Currently, a home office is allowed for anyone who has a business and meets the requirements of:

- A space with exclusive business use; and
- Regular business use of the space

The concern of a “red flag” over an audit because of this deduction is long past.

Medical Reimbursement (MERP)

A medical reimbursement plan (MERP) is one of the little used strategies that are available to businesses that operate as C corporations. With a plan in place you can deduct dental, vision, orthodontia, medical co-payments, therapeutic massage, and so on. These benefits are fully deductible for the business and are not income for the recipient. The plan cannot discriminate against other employees and must cover 70 percent or more of all employees. If there are more than 100 employees, a Form 5500 is required to be filed.

A MERP can also be used in a Sole Proprietorship, but not for the owner. One possible solution is to legitimately employ a spouse in the company, with the ownership help by the other spouse. The employed spouse can then be a beneficiary of the MERP.

Personal Care

Remember the rule of “ordinary and necessary.” An actress can deduct the cost of hair and nail care. In Nevada, a showgirl was allowed to deduct her augmentation expense. The question to ask is whether the cost really does help the business and even more importantly, does it pass the laugh test? In other words, can you write it down with a straight face?

Pets

The cost of pets can even be a business deduction. For example, the cost of keeping a watch dog is a deduction, as was proved in a tax court case in Hawaii, where a junkyard was allowed to deduct the cost of the dogs. Also, I have seen real estate brokers and land developers deduct the cost of keeping a horse when they use the animal to view property.

Tax Credits

Tax deductions reduce your taxable income. Since tax is calculated based on the amount of taxable income you have, having less taxable income is good for tax purposes.

Tax credits are even better. A tax credit directly reduces the amount of tax you pay. If you have \$10,000 in tax credits, that means that you will pay \$10,000 less in tax. On the other hand, if you have \$10,000 in tax deductions and you're at the highest tax rate, you will pay \$3,500 less in taxes.

Work Opportunity Credit

The work opportunity credit provides a credit for wages paid to certain individuals in certain areas. See the Department of Labor's website: <http://www.doleta.gov/business/incentives/opptax/> to learn more about the 12 different categories and how the program works. In most cases, you can get a tax credit of up to \$2,400 for each adult hired.

Disabled Access Credit

This is a tax credit applicable to businesses with 30 or fewer full-time employees or \$1,000,000 of gross revenue or less. The credit is intended to help offset ADA-related (Americans with Disabilities Act) business access costs. Anything that is done to create access or communication with vendors, customers or employees is applicable, including:

- Provision of readers for customers or employees with visual disabilities
- Provision of sign language interpreters
- Purchase of adaptive equipment
- Production of accessible formats of printed materials
- Removal of architectural barriers in facilities or vehicles
- Fees for consulting services
- Provision for access to the Internet for those with disabilities

The credit is 50% of the amount spent for adapting existing facilities. The maximum credit per year is \$5,000.

Disabled Access Tax Deduction

Businesses of all sizes may take advantage of this tax deduction. Under Internal Revenue Code, Section 190, businesses can take a business expense deduction of up to \$15,000 per year for costs of removing barriers in facilities or vehicles.

Disabled Access Tax Incentives in Combination

These two incentives can be used together by eligible businesses if the expenditures qualify under both Sections 44 and 190. If a small business' expenses exceed \$10,250 for the maximum \$5,000 tax credit, then the deduction equals the difference between the total spent and the amount of the credit claimed.

The ADA Act is overseen by the US Department of Justice. They've got more information on the Department of Justice ADA Business Connection at www.ada.gov.

Additional Deductions for Business Owners

Here are some other deductions that only business owners can take.

Group Life Insurance

Group life insurance coverage of \$50,000 or less provided to you by your employer is excludable from your income.

“De Minimis” Fringes

This means gifts literally of “little value.” A Rolex watch is not a de minimus fringe. However, a turkey at Thanksgiving would qualify. It’s a tax deduction for the company and is not income for the recipient.

Meals and Lodging for the Benefit of the Employer

The value of meals and lodging provided by your company to you, your spouse and your dependents is not taxable income as long as the following three criteria is met:

- The meals or lodgings are provided at your employer’s place of business.
- The meals or lodgings are provided for the convenience of your employer.

In the case of lodging (but not meals), you must accept the lodging at your employer’s place of business as a condition of your employment. This means that you must accept the lodging to carry out the duties of your job properly, for example, if you must be available for duty at all times.

Lodging includes the cost of utilities such as electricity, gas, water, garbage, and the like.

Generally meals, if deductible at all, are only 50% deductible. Meals are 100% deductible and tax free benefits if you must be available for emergency calls or because the nature of your work restricts you to a short meal period.

All meals furnished at the employer's place of business shall be treated as "for the convenience of the employer" if more than half of such meals are furnished for the convenience of the employer.

Many of my clients operate their small businesses as family businesses. For many that means the family meals are often during work time. The cost of meals is 100% deductible for employees at the meal. So, if all family members work for the company in legitimate jobs and the job requires that everyone is available for the meal at the place of employment, then the meal is covered.

What Else?

The answer is "it depends." Some time ago we put together a list of over 1,000 possible tax deductions. It's included in your materials. Take a look. Can you prove a business purpose for any of them? If so, you may have a deduction.

LIST OF VEHICLES CURRENTLY DEDUCTIBLE UNDER S. 179

Model Year 2011:

- BMW: X5M, X5 XDrive35D, X6 Hybrid, X6M
- Ford Truck: F-250, F-350, Flex 4WD
- Honda: Pilot 4WD
- Lincoln: MKT & MKT AWD

Model Year 2010:

- Audi: Q7 3.0L TDI
- BMW: X5M, X5 XDrive30i, X6M, X6 XDrive35i
- Buick: Enclave
- Cadillac: Escalade 2WD, 4WD, AWD
- Chevrolet Truck: Avalanche, Express Cargo, Express Wagon, Silverado C1500, C2500, C3500, K1500, K2500 and K3500, Suburban C1500 and K1500, Tahoe, Traverse
- Dodge Truck: Dakota, Ram 1500, 2500 and 3500
- Ford Truck: Econoline Cargo, Expedition, F-150, F-250 and F350, Flex 4WD
- GMC Truck: Acadia, Savanna Cargo and Savanna Wagon, Sierra C1500, C2500, C3500, Sierra K1500, K2500, K3500, Yukon and Yukon XL
- Honda: Pilot 4WD, Ridgeline RT
- Infiniti: QX56
- Jeep: Commander, Grand Cherokee
- Lexus: LX570

- Lincoln: MKT, Navigator
- Mazda: CX-9 4WD
- Mercedes Benz: G55 AMG, GL350 and R320
- Mercury: Mountaineer
- Nissan: Armada, Pathfinder, Titan LE
- Porsche: Cayenne
- Toyota: 4Runner LTD, Landcruiser, Sequoia LTD, Tundra
- Volkswagen: Touareg TDI 20010
- Volvo: XC90 3.2L (depending on configuration)

Model Year 2009:

- Audi: Q7 3.0L TDI
- BMW: X5M, X5 XDrive30i, X6M, X6 XDrive35i
- Buick: Enclave
- Cadillac: Escalade, SRX
- Chevrolet Truck: Avalanche, Express Cargo, Express Wagon, Silverado C1500, C2500, C3500, K1500, K2500 and K3500, Suburban C1500 and K1500, Tahoe, Traverse
- Chrysler: Aspen
- Dodge Truck: Dakota, Durango, Ram 1500, 2500 and 3500, Sprinter Van and Sprinter Wagon
- Ford Truck: Econoline Wagon, Expedition, F-150, F-250 and F350, Flex 4WD
- GMC Truck: Acadia, Envoy (depending on configuration), Savanna Cargo and Savanna Wagon, Sierra C1500, C2500, C3500, Sierra K1500, K2500, K3500, Yukon and Yukon XL
- Honda: Pilot 4WD, Ridgeline RT

- Hummer: H2 and H3
- Infiniti: QX56
- Jeep: Commander, Grand Cherokee (depending on configuration)
- Land Rover: LR3, Range Rover
- Lexus: GX470, LX570
- Lincoln: MKT, Navigator
- Mazda: CX-9 4WD
- Mercedes Benz: G55 AMG, GL 320, ML 320 and R320
- Mercury: Mountaineer (depending on configuration)
- Mitsubishi: Raider
- Nissan: Armada, Pathfinder, Titan LE
- Porsche: Cayenne
- Saab: 9-7X Wagon 4.2l
- Saturn: Outlook XE
- Toyota: 4Runner LTD (depending on configuration), Landcruiser, Sequoia LTD, Tundra
- Volkswagen: Touareg TDI 20010
- Volvo: XC90 3.2L (depending on configuration)

Model Year 2008:

- Audi: Q7
- BMW: X5 Series
- Buick: Enclave
- Cadillac: Escalade, SRX
- Chevrolet Truck: Avalanche, Express Cargo, Express Passenger, Silverado C1500, C2500, C3500, K1500, K2500 and K3500,

Suburban C1500 and K1500, Tahoe, Trailblazer (depending on vehicle configuration)

- Chrysler: Aspen
- Dodge Truck: Dakota, Durango, Ram 1500, 2500 and 3500, Sprinter Van and Sprinter Wagon
- Ford Truck: Econoline Wagon, Expedition, Explorer (depending on configuration), F-150, F-250 and F350, Superduty
- GMC Truck: Acadia, Denali, Envoy (depending on configuration), Savanna Cargo and Savanna Wagon, Sierra C1500, C2500, C3500, Sierra K1500, K2500, K3500, Yukon and Yukon XL
- Honda: Ridgeline RT
- Hummer: H2
- Isuzu: Ascender (depending on configuration), I-290, I-370
- Jeep: Commander, Grand Cherokee (depending on configuration)
- Land Rover: LR3, Range Rover
- Lexus: GX470, LX570
- Lincoln: Mark LT, Navigator
- Mazda: CX-9 4WD
- Mercedes Benz: G Class, GL Class, M Class, R Class
- Mercury: Mountaineer (depending on configuration)
- Mitsubishi: Raider
- Nissan: Armada, Pathfinder, Titan
- Porsche: Cayenne
- Saab: 9-7X Wagon 4.2i
- Saturn: Outlook

- Toyota: 4Runner (depending on configuration), Landcruiser, Sequoia, Tundra
- Volkswagen: Touareg TDI 20010
- Volvo: XC90 3.2L (depends on configuration of vehicle)

Model Year 2007:

- Audi: Q7
- BMW: X5 Series
- Buick: Enclave
- Cadillac: Escalade, SRX
- Chevrolet Truck: Avalanche, Express Cargo Van, Silverado C1500, C2500, C3500, K1500, K2500 and K3500, Suburban C1500 and K1500, SSR, Tahoe, Trailblazer (depending on vehicle configuration)
- Chrysler: Aspen
- Dodge Truck: Dakota, Durango, Ram 1500, 2500 and 3500, Sprinter Van and Sprinter Wagon
- Ford Truck: Econoline Wagon, Expedition, Explorer (depending on configuration), F-150, F-250 and F350, Superduty
- GMC Truck: Acadia, Denali, Envoy (depending on configuration), Savanna Cargo and Savanna Wagon, Sierra C1500, C2500, C3500, Sierra K1500, K2500, K3500, Yukon and Yukon XL
- Honda: Ridgeline RT
- Hummer: H2
- Infiniti: QX56

- Isuzu: Ascender (depending on configuration), I-290, I-370
- Jeep: Commander, Grand Cherokee (depending on configuration)
- Land Rover: LR3, Range Rover
- Lexus: GX470, LX470
- Lincoln: Mark LT, Navigator
- Mazda: CX-9 4WD
- Mercedes Benz: G Class, GL Class (both depending on configuration), M Class, R Class
- Mercury: Mountaineer (depending on configuration)
- Mitsubishi: Raider
- Nissan: Armada, Pathfinder, Titan
- Saab: 9-7X Series
- Saturn: Outlook
- Toyota: 4Runner, Landcruiser, Sequoia, Tundra
- Volkswagen: Touareg TDI 20010
- Volvo: XC90 3.2L (depends on configuration of vehicle)