



October 6, 2011

FEDERAL ECONOMIC STIMULUS AND COMMERCIAL TRUCK SAVINGS

A smart businessperson puts considerable thought into what and when they buy for their business.

Right now the Economic Stimulus Act is making the timing of business purchases easy. You'll benefit from the bonus depreciation tax deduction provided under IRS section 168(k) and the tax deduction allowed under Section 179 when you make qualifying business purchases before December 31, 2011. Both of these tax provisions currently offer businesses **a tax deduction equal to 100% of the cost of most new equipment**. In the case of vehicles, the new equipment must have a gross vehicle weight rating over 6,000 lbs. This includes the purchase of qualifying Ford F-150 and Super Duty trucks and/or E-Series Vans.

The only catch: **You must make your purchase and put the vehicle to use in your business before December 31, 2011.**

ADDITIONAL BENEFITS FROM FORD COMMERCIAL TRUCK

In addition to the tax and bonus depreciation benefits, Ford is also offering some great incentives on our lineup of commercial vehicles. During Commercial Truck Season, you may also be eligible for up to \$2,500 in upfit incentives in addition to other customer cash and financing incentives. See your Ford Dealer or visit www.fordtoughtruck.com for more information.

TIMING IS KEY

All indications are that in 2012 the bonus depreciation deduction will be reduced to 50% of the cost of new equipment and that the allowable Section 179 deduction will drop back down to the pre-2007 \$25,000 level. Commercial Truck Season savings also end on 12/31/11.

The attached Q&A will help you gather more information about the bonus depreciation tax deduction – as will www.irs.gov or a call to your tax advisor. Visit www.fordtoughtruck.com for details on Commercial Truck Season savings.

We look forward to helping you achieve ongoing business success.

Sincerely,

A handwritten signature in black ink, appearing to read "Len Deluca".

Len Deluca
Director of Commercial Truck Operations



Please note: This information is provided by Ford Motor Company to its customers. It should not be construed as tax advice or as a promise of potential tax savings or reduced tax liability. For more information about the tax programs mentioned within this letter, please contact your tax professional or visit the Internal Revenue Service website at www.irs.gov.



BONUS DEPRECIATION AND YOUR COMMERCIAL VEHICLE PURCHASE

QUESTIONS & ANSWERS

Q. What is the advantage of bonus depreciation allowed by Section 168(k)?

A. Bonus depreciation, as described in the tax law in Section 168(k), allows a company to take a 100% tax deduction for purchases of qualified property purchased and placed into service after September 8, 2010 and by December 31, 2011. There is no set dollar limit to the amount of property that can be deducted as long as it is purchased and placed in service during the required time period.

Q. What is the advantage of the Section 179 deduction?

A. Section 179 of the tax law allows a company to take a 100% tax deduction for the purchase of qualified property that is placed in service. For tax years beginning on or before December 31, 2011, this deduction is limited to \$500,000 of purchased equipment. This limitation is decreased by one dollar for every dollar the company spends over \$2,000,000 on new equipment.

Q. What is a “qualified property”?

A. All trucks with a gross vehicle weight rating **over** 6,000 lbs are considered qualified property for bonus depreciation. SUV's are qualified if they are built on a truck chassis and have a gross vehicle weight rating of over 6,000 lbs.

Q. Are all trucks and passenger vans eligible?

A. All trucks that have a Gross Vehicle Weight Rating (GVWR) of at least 6,000 lbs (when fully loaded with people and cargo) are eligible for the 100% depreciation deduction. Trucks that are less than 6,000 lbs are eligible for a first year deduction of \$11,260 under Section 168(k). All vans that have a GVWR of at least 6,000 lbs are also eligible for the bonus depreciation deduction.

**Q. I would like to take advantage of bonus depreciation but do not want to pay cash or use available credit.
Does Ford offer financing options to help?**

A. Yes. Whether you need 1 or 100 commercial vehicles, Ford Credit can help you get them quickly and easily with a Commercial Line of Credit (CLOC). Once you establish a CLOC with Ford Credit, you can acquire additional vehicles when you need to. Just sign and drive.

Q. Are vehicle modifications, extended warranties or pre-paid maintenance programs eligible?

A. Yes. As any or all of these items are included in the complete purchase price. Additionally, we offer various upfit discounts for vehicle modifications and Ford Extended Service plans offer various combinations and coverage for commercial use.

Q. Are certified pre-owned or used vehicles eligible?

A. Pre-owned or used vehicles are **not** eligible for the 100% depreciation deduction. However, both new and used vehicles are eligible for the deduction provided under Section 179 of the tax law.

Q. Why should we think about this now if we have until December?

A. Inventories are limited and we anticipate that in late December our ground stock may be impacted by bonus depreciation and Section 179. Current Commercial Truck Season offers may also impact our inventory availability.

Q. Our business faced a challenging 2011 and we do not expect to see enough in profits. Can our business carry over the depreciation benefits into future years?

A. Any tax loss that you incur during 2011, including any additional loss caused by bonus depreciation, may be able to be carried over into future years depending on your business's tax situation. The loss may also be able to be carried back to prior tax years in order to get a refund of taxes that were previously paid.

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