

## **Tax advantages for RVers**

*by Jaimie Hall Bruzenak*

### **RV owners can take advantage of tax breaks**

A recreation vehicle is the ticket to get away from the stress of everyday life; and, what most people don't know, is also a way to get a little bit of relief from today's high taxes. That's right. Owning a recreation vehicle saves on taxes and keeps more money in your pocket!

### **Is your RV a "second home?"**

For a vehicle to save money at tax time, it needs to pass the test of being a second home. To be considered a "second home," an RV needs cooking, sleeping and bathroom facilities. Virtually all RV types - motor homes, travel trailers, truck campers and even some folding campers - may be equipped with these facilities. Tax savings depend upon the monthly loan payment, the length of the loan and the interest rate. For example, a \$15,000 loan for a term of 10 years with an interest rate of eight percent will shave about \$15.45 a month from taxes. For the entire 120-month loan period, the total savings will be \$1,854.

Getting a loan for an RV is easy because recreation vehicle owners are considered good credit risks. In fact, less than 1.35 percent of all RV loans are delinquent, according to Recreation Vehicle Industry Association (RVIA) figures. Lenders consider RVers to be reliable buyers, just another advantage for consumers. Loan terms for both new and used, large RVs typically extend up to 15 to 20 years. Whether the purchase is financed through a bank, savings and loan, finance company, credit union or RV dealer, the average minimum down payment is 10 percent. This makes it easy for a family on a budget to get into the RV lifestyle economically, and save some money!

RV owners who use their RVs for business purposes may be able to deduct some of their travel expenses and depreciation on their RV. See your tax professional to see if you qualify and to find out what records you need to keep.

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