

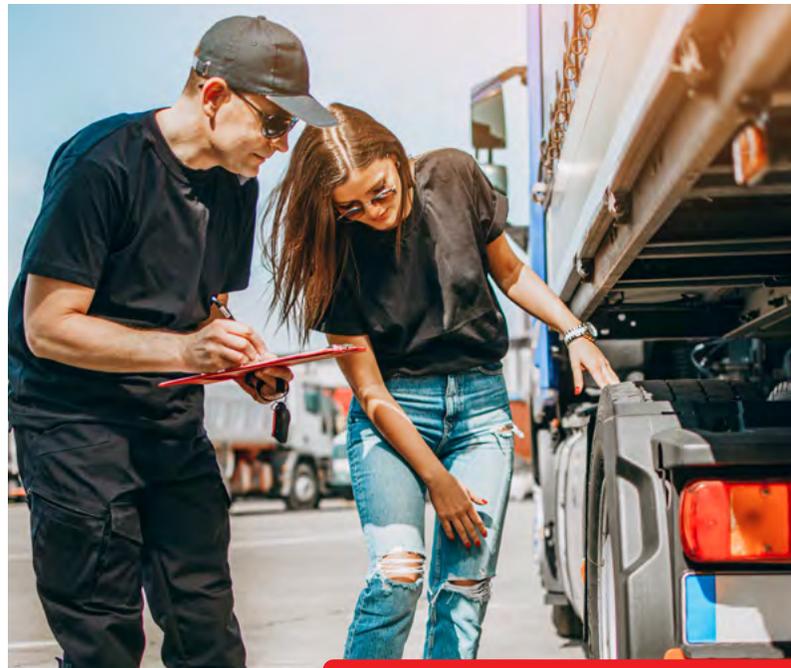
HOW TO BE A PRO AT LEASING A TRUCK

Leasing a truck is similar to renting a house. Leasing means you're paying for the use of that truck, but it isn't yours. When your lease ends, you return the truck to the leasing company unless you elect to purchase the truck from them at a predetermined price.

One of the perks to leasing a truck is that maintenance contracts are usually included, meaning the leasing company assumes responsibility for most maintenance. Additionally, leasing gives you the opportunity to use the truck for a certain amount of time, return it, and then lease a newer model.

If you've decided that leasing is the path for you, we've got some helpful tips to help you navigate the leasing process.

- Don't rush into a lease. Check out two or more lease deals and have an accountant or attorney look at the deals (if possible).
- Try to negotiate your lease price and terms! You could end up saving a lot of money simply by asking.
- Compare the residual value of the truck with the resale value of a similar truck.
- Always ask to see the truck's maintenance records before signing the lease.
- Get a written cost comparison between an outright purchase and a lease from the dealer. Evaluate the comparison yourself or have an accountant assess each.



- Make your lease term as short as possible and know exactly what happens at the end of the lease.
- Check for mileage limitations in the contract. If there are limitations, make sure they align with the mileage you plan to run.

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- Check for alteration restrictions in the contract. You don't want to make alterations and find yourself in violation of the contract when you go to return the truck at the end of your lease.
- Find out when payments are due and what to do in case of an accident or damage.
- Understand the conditions under which you can get out of the lease.
- Understand how the Internal Revenue Service (IRS) views the lease agreement. If the lease does not include a buy option, you cannot depreciate the vehicle but you can write off payments as an expense.

Leasing a truck can be a solid choice for many owner-operators. Make sure to consider your business and your specific needs before moving forward with any purchase or lease. What works best for you may not work best for someone else, so do your research!

Being your own boss comes with lots of upsides but presents its share of challenges too. Let TBS Factoring help you overcome some of those challenges with our cash flow solutions, truckers bookkeeping services, back-office support, DOT compliance services, insurance help, trucking permit services, and more. That way you can focus on what's most important: building your business.