



Create Your Own TAX BREAK In 2018

This valuable \$1,000,000 tax write-off expires December 31, 2018
Acquire and put your business equipment into service before year-end.

Business Equipment - Section 179 Expensing Allowance = \$1,000,000

Section 179 allows smaller business owners who acquire equipment for their business: machinery, computers, software, and other tangible goods, to immediately write off the full price of the equipment rather than depreciating them over several years. **Section 179** is ready to enhance your bottom line in 2018

If you've been thinking about buying new or used equipment for your business, then THIS is definitely the year to do it. The government is going to give you a VERY generous tax deduction in 2018. **Section 179** applies to new and used equipment purchases, but must be "new to this business" and also includes certain software and vehicles. Under **Section 179**, businesses that spend up to \$2,500,000 a year on qualified equipment may write-off up to \$1,000,000 in 2018. The rules are designed for small and medium-sized companies, so the \$1,000,000 deduction phases out when a business purchases more than \$3,500,000 in 2018. (Companies cannot write off *more than* their taxable income). The deduction begins to phase out on a dollar-for-dollar basis after \$2,500,000 has been spent. The entire deduction phases-out once \$3,500,000 in purchase has been reached.

Bonus Depreciation - 100% for 2018 and Benefits of a Non-Tax/Capital Lease

The benefit of a Non-Tax/Capital Lease is that you can take advantage of Section 179: expense up to \$1,000,000 if the equipment is put in use in 2018. Examples of Non-Tax/Capital Leases include a **\$1.00 Buyout Lease**, an **Equipment Finance Agreement (EFA)**, and a **10% Purchase Upon Termination (PUT) Lease**.

The sample calculation shows how taking advantage of Section 179 can significantly lower the true cost of the equipment.

Tax Savings Example (Using \$350,000) - Section 179 Deduction

Cost of Equipment:	\$350,000.00
Section 179 Write-Off Amount (Up To \$1,000,000):	\$350,000.00
50% Bonus Depreciation:	\$ N/A
Normal 1st Year Depreciation:	\$ N/A
Total First Year Deduction:	\$350,000.00
Cash Savings on your Equipment Purchase: (Assuming a 35% Tax Bracket, Depreciation 5 years)	\$ 73,500.00
Effective Cost of Equipment after Tax Savings	\$276,500.00



Act now!

This incentive is available in 2018. Acquire and put your business equipment to use before year-end! This is the final year for these kinds of limits.

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