

Section 179 Tax Deduction



The most beneficial business decision you can make this year!

- Section 179 encourages small businesses to invest in their growth by providing accelerated depreciation and tax deductions on qualifying business purchases.
- All businesses that finance equipment during tax year 2019 may be eligible to deduct the full purchase price from their pre-tax income.
- Up to \$1,020,000 of qualifying equipment may be written-off on your 2019 tax return.
- To qualify for the Section 179 Deduction, the equipment must be put into use between January 1 and December 31 of the tax year you are claiming.
- If you finance the acquisitions, with a loan or a capital lease, you can take advantage of the reduction to taxable income while spreading the payments over the useful life of the assets.

| 2019 Section 179 | |
|---|------------------|
| Equipment Purchases: | \$50,000 |
| First Year Write Off: ($\$1,020,000 = \text{maximum in 2019}$) | \$ 50,000 |
| 100% Bonus First Year Depreciation: (100% in 2019) | \$0 |
| Normal First Year Depreciation: | \$ 0 |
| Total First Year Deduction: | \$ 50,000 |
| Cash Savings: ($\$50,000 \times 21\% \text{ tax rate}$) | \$ 10,500 |
| Equipment Cost After Tax: (Assuming 21% tax bracket) | \$ 39,500 |

* This tax scenario is only an example for illustrative purposes. Consult your tax advisor regarding the impacts Section 179 and bonus depreciation may have for your business.

Some Business Equipment included under Section 179:

- Computers/Servers
- Software
- Phone Systems
- Machinery/ Vehicles
- Security Systems
- Office Furniture

Contact your **Tax Advisor** to see how you may **Benefit** from the 179 Tax Incentive for **Business Technology** this year!