Your 2017 Tax Break!

Congress increases the amount businesses can write-off for capital expenditures to $500,000!

What is Section 179?

Section 179 is an incentive created by the U.S. government to encourage businesses, large and small, to purchase equipment and invest in their companies. Instead of the usual feelings of angst that the phrase "tax code" brings, Section 179 is a "win-win" for everyone. Business owners can purchase the new equipment they need, invest in growing their businesses, and contribute to the economy. The best part is - at the end of the year, the total amount of the equipment purchase can be deducted from their taxes, as opposed to only the depreciated amount.

Why is it important to my business?

Whether you need to spend $5,000 on a couple of new computers and printers or $500,000 on a few large pieces of construction equipment, Section 179 can help you! In the past, business owners were only able to deduct small amounts of their equipment purchases over time, as the items depreciated year to year. With Section 179, you can deduct the full amount the first year the equipment is put into service. This means you can buy more equipment and deduct the purchase amount from your gross income every year!

Example: Section 179 Tax Savings

Original Equipment Cost	=	**$500,000.00**
Total 1st Year Deduction	=	**$500,000.00**
Tax Savings ie Rate of 35%	=	**$175,000.00**
($500,000.00 x .35% = $175,000)		
Lowers the Cost of the Acquisition to $325,000.00		

Taking Advantage of Section 179 Can Lower the Cost of Equipment from $500,000.00 to $325,000.00

How can I learn more?

Our experienced representatives are here to answer any questions you may have about your equipment purchase or leasing equipment and Section 179. If you have specific tax questions, please contact your tax accountant. If you need help with end of year purchases and want to learn how you can save money on this year's taxes utilizing Section 179, give Wade Rasmussen a call.

When is the deadline?

The deadline for equipment purchases to be deducted for the year 2017 is December 31, 2017. Now is the time to make your purchase!

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