



TAX DEDUCTIONS AVAILABLE

TAKE ADVANTAGE OF THE TAX DEDUCTIONS AVAILABLE UNDER SECTION 179.

Now may be the time for your company to purchase equipment and take advantage of the increased limits for Section 179 deduction benefit included in the Tax Cuts and Jobs Act.

Section 179

Section 179 allows businesses to deduct the full cost of qualifying new and used equipment from your 2018 taxes, up to \$1,000,000. The ability to take deductions under Section 179 now begins to phase out for total equipment purchases in excess of \$2,500,000. The phase out is on a dollar-for-dollar basis once equipment purchases exceed \$2,500,000. Equipment must be purchased and placed into service by December 31, 2018.

Bonus Depreciation

The Act also increases the benefit of bonus depreciation, allowing businesses of all sizes to deduct the full cost of qualifying new and used equipment acquired after September 27, 2017, and placed into service by December 31, 2022.

2018 Example Calculation

Total 2018 equipment investment	\$1,500,000
Section 179 deduction limit	\$1,000,000
100% bonus depreciation available for excess	\$500,000
Total 2018 tax deduction: \$1,000,000 + \$500,000	\$1,500,000
Potential tax savings in first year (assuming a 21% tax rate)	\$315,000

Many Types of Equipment May Qualify

- Construction equipment
- Material handling equipment
- Light industrial equipment
- Plant maintenance equipment
- Logging equipment
- Surveying equipment

What This Means for Your Customers

- More economical to upgrade equipment
- Lower tax liability for the year conserves working capital for other immediate business needs
- Many leasing or financing options can be utilized while taking advantage of the tax incentives