



IRS Section 179 Extended This Year Only! Write-Off Equipment Purchases up to \$134,000!

Business Equipment

Business owners who acquire Imaging equipment for their business: usually prefer to deduct the cost in a single tax year, rather than a little at a time over a number of years. This deduction is known by its section in the tax code, a Section 179 deduction.

Under Section 179, businesses that spend less than \$530,000 a year on qualified equipment, may write-off up to \$134,000 in 2010. The rules are designed for small companies, so the \$134,000 deduction phases out when a business purchases more than \$530,000 in one year. (Companies cannot write off more than their taxable income).

Benefits of a Non-Tax/Capital Lease

The benefit of a Non-Tax/Capital Lease is that it can take advantage of Section 179: expense up to \$134,000 if the equipment is put in use in 2010. In addition, you may depreciate any excess on the depreciation schedule for that asset. 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. Example: Assume you finance business equipment, put it in use in 2010, and take advantage of Section 179. Your **tax savings** could be significant:

Equipment Cost Example: \$100,000

Section 179 Write Off: \$ 100,000
(\$134,000 is the maximum Section 179 write-off in 2010)

Tax Savings Assuming Rate of 30%: \$ 30,000
($\$100,000 \times .30 = \$30,000$)

Net Cost after Tax Savings: \$ 70,000
($\$100,000 - \$30,000 = \$70,000$)

Note:

For complete details, or changes to the tax incentives, please visit www.irs.gov or contact the IRS helpline at: **800-829-4933**

Act Now!

To take advantage of the incentives and the substantial tax savings, your business equipment must be put in use by year-end. Please contact your tax advisor to learn about the specific impact to your business. ***Interested in learning more?***

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