

## INCREASED TAX ADVANTAGES

### IRS Section 179 and Bonus Depreciation

The Section 179 Deduction limit has been increased to **\$1,220,000**. That's a **\$60k** jump from last year!

- If you buy (or finance) a piece of equipment or software, you can deduct the Full Purchase Price (up to \$1,220,000) from your gross income.

The 2024 Section 179 deduction threshold for total amount of equipment that can be purchased is **\$3,050,000**.

- You can purchase more equipment for your business and still have the benefit of the Section 179 deduction.

The **BEST** advantage for small and mid-sized businesses:

- 60% Bonus Depreciation on qualified equipment acquired and placed in service from 1/1/24 through 12/31/24. The bonus depreciation now includes used equipment. It falls to 40% in 2025, 20% in 2026, and expires in 2027.
- The \$1,220,000.00 deduction from Section 179 phases out when a business purchases more than \$3,050,000.00 in one year.
- **Take Advantage Now!** Tax Savings could be greater than the amount paid in the first year of a lease agreement.

## CALCULATE YOUR POTENTIAL TAX SAVINGS!

**EXAMPLE: Enter Cost of Equipment Below EQUIPMENT COST:**

**FIRST YEAR WRITE-OFF:**

\$1,220,000 is the max. Section 179 write-off

**60% BONUS DEPRECIATION:**

On any remaining value above \$1,220,000

**NORMAL 1<sup>ST</sup> YR. DEPRECIATION:**

Depreciation calculated at 5 years = 20%

**TOTAL 1<sup>ST</sup> YR. DEPRECIATION:**

Add Section 179 Deduction, Bonus Depreciation and First Year Depreciation

**TAX SAVINGS**

**ASSUMING RATE OF 21%:**

Equipment Cost x 21%

**1<sup>ST</sup> YR. NET COST**

**AFTER TAX SAVINGS:**

Equipment Cost - Tax Savings

## CONTACT US FOR MORE INFO:

\*Credit & equipment restrictions apply.

This program does not assume your company will qualify to take advantage of the IRS Section #179 depreciation schedule which allows rapid first year depreciation of certain assets acquired. The amount of previous depreciation your company may have used may affect your ability to utilize the elections. Please consult your tax advisor or accountant for additional information. Equipment must be purchased and placed in service by 1/1/2025.