

Section 179 Tax Benefits!



Benefits:

Tax Savings Lower Your Total Cost

For most small businesses the entire cost of equipment and software purchases can be written off on the 2018 tax return (up to \$1,000,000.00 for businesses that spend less than \$2,500,000 on total equipment purchases)

EXAMPLE (36% tax rate):

Equipment Cost:	\$40,000.00
Year 1 Write Off:	\$40,000.00
Tax Savings: (\$40K x 36% tax rate)	<u>\$14,400.00</u>
Equipment Cost After Tax:	\$25,600.00

A few things to consider:

Come December 31, if the equipment isn't in place, and you haven't paid for the equipment (or paid at least the first monthly payment), these deductions won't be lost but they will be pushed back a tax year. There are limits to Section 179 and certain types of assets will not qualify. Talk with your tax advisor for more details.

Want different terms?

CALL 800.325.2605

Contact Tim Murphy or Troy Jaros for a tailored plan or more information.

Want to get started?

FAX 515.255.0147

Submit your completed application from the reverse side.

Financing & Section 179:

The Double Whammy:

Tax Savings & Cash Flow Savings

- If you finance the purchase you realize the same benefits as an outright purchase if you make at least one monthly payment during the tax year and choose a plan with a nominal buyout (\$1.00).
- However, your cash flow expense could be as little as only one monthly payment while still realizing the same tax reduction. What does this mean?
- The tax deduction on your next tax return may be more than the amount of cash you actually pay in that same calendar year.

Baker's Dozen:

13 Payments, \$1.00 Buyout.

Payments are calculated by dividing the equipment cost by 12. One additional payment is paid upfront, then 12 remaining monthly payments. No doc fee, no app fee.

Example

$$\$40,000 \quad /12 \quad = \quad \$3333.33 \quad / \text{mo.}$$

1 Payment up front: \$3333.33, then 12 monthly payments of \$3333.33

Your Numbers

\$	/12	=	\$	/ mo.
Equipment Cost			13 Monthly Payment Amount	

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**Lease Consultants
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"Equipment Financing Since 1979"