TECH FINANCIAL SERVICES

A Division of Five Lakes Financial, Inc.

Section 179 Deduction
ECONOMIC STIMULUS CALCULATOR

Section 179 Federal Income Tax Deduction

The Section 179 Federal Income Tax Deduction has been changed as part of the American Taxpayer Relief Act of 2012 and it allows a company in 2014 to deduct $25,000 of equipment for companies purchasing up to $200,000 for 2014 in equipment. It phases out between $200,000 and $225,000. Therefore, once a company has purchased $225,000 of equipment they are not allowed any 179 deduction. However, finance purchases with operating leases are not included in the company's total investments.

EXAMPLE OF 2014 TAX STIMULUS

$	200,000.00	New Machinery Equipment Acquired in 2014
$	25,000.00	First Year Write Off from Section 179 Deduction
$	0.00	Bonus Depreciation (Not being offered in 2014)
$	175,000.00	Net Machinery Cost
$	25,000.00	1st Year Nominal Depreciation, (175k / 7 year depreciable life)
$	**50,000.00**	**Total First Year Deduction**
$	**17,500.00**	**Cash Savings** based on Company with 35% Tax Rate

Note: Machine tools and fabricating equipment are typically depreciated over 7 years. Please consult with your accountant. The above calculations are only estimates and everyone's tax situation is different.

CONTACT THE EQUIPMENT EXPERTS TODAY AT TECH FINANCIAL SERVICES.

Please check with your accountant to always confirm eligibility for tax benefits.

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