



TECH FINANCIAL SERVICES

A Division of Five Lakes Financial, Inc.

SECTION 179 DEDUCTION

Economic Stimulus Calculator

2021 Section 179 and Immediate Expensing of Qualified Asset Purchases

For property placed in service after December 31, 2020, the maximum amount a business may deduct for section 179 is \$1 million on the first \$2.5 million of asset purchases and phased out on purchases in excess of \$2.5 million.

For new OR used assets purchased after September 27, 2017 and before January 1, 2023, there is a 100% first-year immediate deduction for qualified property. This first year bonus depreciation begins to phase down in 20% increments after December 31, 2022.

Example of 2020 Tax Cuts and Jobs Act (H.R. 1)

\$1,150,000.00	New or used machinery acquired in 2021
\$1,050,000.00	First year depreciation (\$1,050,000.00 maximum in 2021)
\$100,000.00	100% Bonus First Year Depreciation (Updated to 100% via 'Tax Cuts and Jobs Act')
\$0.00	Normal First Year Depreciation (20% in each of 5 years on remaining amount)
\$1,150,000.00	First year total allowable expensing (\$1,050,000.00 + \$100,000.00 + \$0.00)
\$402,500.00	First year federal tax savings (35% corporate tax rate)

Note: Machine tools and fabricating equipment have a 7 year depreciable life. Please consult with your accountant to confirm eligibility for tax benefits. The above calculations are estimates.

CORPORATE HEADQUARTERS

840 North 3rd Street, Suite 500
Milwaukee, WI 53203
Phone: 414-224-0220
Fax: 414-224-0244

Milwaukee, WI

Mark Charlton
414-224-0242
markc@techfin.net

Mertztown, PA

Matt Coblentz
610-682-1089
mattc@techfin.net

Denver, CO

Sara Charlton
414-446-3351
sara@techfin.net

Austin, TX

Kobe Knaak
414-213-2261
kobek@techfin.net