

## Take action NOW on the NEW Tax Savings

Break is only for tax year beginning in 2008

On February 13th, 2008, President Bush signed into law an extraordinary economic stimulus plan that provides even greater benefits to business owners.

**\$34,400 more saved in this example!**



	Old Tax Benefits	New Tax Benefits
Cost of Equipment	\$350,000	\$350,000
Section 179 Deduction	\$128,000	\$250,000
50% Bonus Depreciation	\$0	\$50,000
20% MACRS Depreciation	\$44,400	\$10,000
<b>Total Deduction</b>	<b>\$172,400</b>	<b>\$310,000</b>
<b>Savings (25% tax bracket)</b>	<b>\$43,100</b>	<b>\$77,500</b>

DEDUCTION LIMIT **RAISED TO \$250K**

**50% BONUS DEPRECIATION** AFTER THE DEDUCTION!

Under IRC Section 179, business taxpayers may now generally elect to take an **outright deduction of up to \$250,000** of the cost of equipment placed in service during a tax year. If the aggregate cost of qualifying equipment placed in service during the tax year is greater than \$800,000, then the deduction is reduced by \$1 for each dollar by which the aggregate cost exceeds \$800,000. For qualifying assets, the cost of which has not been deducted under Section 179, the remaining cost of the equipment is then depreciable in accordance with the ordinary tax depreciation rules.

**NOTE:** This is only an example. The deduction limitations set forth herein are subject to inflation adjustment increases under the Internal Revenue Code. It is based on assumptions that may not apply to your business or to your lease. This is not tax advice. Please see your tax advisor to be certain as to how Section 179 will apply to your specific situation.