

FINANCE. DEDUCT. \$SAVE!!

Maximum Deduction for 2009: \$250,000

PLUS 50% Bonus Depreciation is Back!

What is the Section 179 Deduction??

Essentially, Section 179 of the IRS tax code allows businesses to deduct the full purchase price of qualifying equipment purchased or financed during the tax year in which they put the purchased equipment in to use. This means when you buy (or lease) a piece of qualifying equipment, you can deduct the ENTIRE purchase price from your gross income.

Advantages of Leasing and Financing

When taking advantage of the Section 179 Deduction, and placing the purchase on a lease, you can deduct the full amount of the equipment without paying the full purchase price this year! Essentially, it's possible that your tax savings exceed the total amount of payments over the course of the year, making this a very attractive option for your bottom line!

Write off up to \$250,000 in purchased equipment!

Under the current revised Section 179 guidelines, a company can deduct up to \$250,000 in equipment purchased or leased during 2009 from their taxable income. The full benefit is extended to companies purchasing or leasing up to \$530,000 in equipment, and then is phased out on a dollar per dollar basis up to \$663,000.

In addition, once you've reached the maximum deduction amount, you may be eligible for a 50% bonus depreciation, which is only valid for 2009!!

Section 179 Deduction Example

\$35,000	Equipment cost
\$35,000	Section 179 Deduction (maximum deduction \$250,000)
\$12,250	Tax Savings Assuming 35% Tax Bracket
\$22,750	Cost of the Equipment After Tax Savings

Contact Summit Today!

**The material provided is for information purposes only and is not meant to provide tax or financial advice. Please consult with your tax advisor. For the most up to date information, go to www.irs.gov.*

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