NEW LEGISLATION, NEW OPPORTUNITIES

Invest in Yourself! Congress has committed to providing valuable economic incentives to manufacturers who purchase capital equipment in 2014.

The Section 179 tax deduction allows companies to write-off up to $500,000 of equipment if total acquisitions are less than $500,000. If capital acquisitions exceed $2,000,000, this write-off is reduced dollar for dollar. For instance, if a company acquires $2,100,000 of equipment, it is able to write-off $500,000 less $100,000 (the amount of capital acquisition over the $2,000,000 limitation) for a net write-off of $400,000. Once a company’s capital acquisitions reach $2,500,000, it no longer qualifies for any Section 179 deduction. Equipment which is new to a company (for example, buying a used machine), can be expensed under Section 179.

50% BONUS DEPRECIATION

Companies are able to write off 50% of a machine acquisition this year. There is no limitation on how much equipment may be expensed through bonus depreciation. However, used equipment may not be expensed under Bonus Depreciation.

ONLY IN 2014!

The 50% bonus depreciation will expire at the end of 2014. So it may make sense to take delivery of a machine in 2014 verses a 2015 delivery due to the significantly better tax savings now available in 2014.

CONTACT OUR SALES REPRESENTATIVES TODAY FOR FULL DETAILS.