

Take Advantage of Section 179!

Put money in your pocket with the Section 179 Deduction for 2016! When Section 179 is combined with equipment financing it provided you with a great way to acquire the equipment you need and save your cash on hand.

2016 Section 179 Example Calculation

Cost of Equipment:	\$550,000
Section 179 Deduction	\$500,000
Bonus Depreciation Deduction	\$25,0000
Normal 1st Year Depreciation	\$5,000
Total First Year Deduction	\$530,000
Cash Savings on Purchase	\$185,500
Lowered Cost of Equipment	\$364,500

What is Section 179?

Section 179 is tax code that allows businesses to deduct the FULL purchase price of qualifying new and used equipment financed during the 2016 tax year. This program was created to encourage businesses to buy equipment and grow.

What and who qualifies?

Most types of “business equipment” that your company buys qualify for Section 179:

- ✓ Equipment, machines, etc. purchased for business use
- ✓ Business vehicles (up to 6,000 lbs.)
- ✓ Computers, office equipment, office furniture
- ✓ Property attached to your building like manufacturing tools
- ✓ Tangible personal property used in business
- ✓ & More!

What are the limits?

Section 179 has a deduction limit of \$500,000 and a spending cap of \$2,000,000 for 2016. Special rules apply to equipment used less than 100% of the time for business purposes.

What is bonus depreciation?

In 2016 bonus depreciation is being offered at 50%. Unlike Section 179 bonus depreciation is only good on new equipment. When applying bonus depreciation typically you would take Section 179 first, followed by bonus depreciation.

Don't Wait!

This benefit expires 12-31-16

Section 179 can change each year and typically does. Maximize the purchase power your company has with this tax code. Contact your accountant today to discuss Section 179 and apply today with U.S. Financial for great financing offers.

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* All financing applications subject to credit approval. We are not offering legal, tax or financial advice. Always contact a specialist or tax advisor. All information subject to change.



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Contact Us Today:

Want to speak to Sumitomo Demag about a machine or financing? Call or email Karen today to learn more.

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