

SAVE ON YOUR 2010 TAX BILL

SECTION 179: BUY NOW, DEDUCT NOW

Section 179 is really very simple – you buy or lease qualifying equipment, and then take a full tax deduction on it this year. The HIRE Act of 2010 - The 'Hiring Incentives to Restore Employment Act' of 2010 extended the enhanced Section 179 deductions of into 2010. Businesses can now write-off up to \$250,000 of qualified equipment and software during the 2010 tax year - subject to a phase-out if a business has capital expenditures exceeding \$800,000.

Successful businesses take advantage of legal tax incentives to help lower their operating costs. The Section 179 Deduction is a tax incentive that is easy to use, and gives businesses an incentive to invest in themselves. In short, taking advantage of the Section 179 Deduction will help your business keep more capital, while also getting needed equipment.

Leasing and Section 179

Did you know that your company can lease equipment and still take full advantage of the Section 179 Deduction? In fact, leasing equipment with the Section 179 deduction in mind is a preferred financial strategy for many businesses, as it can significantly help with not only cash flow, but with profits as well.

Non-Tax | Capital Lease

The main benefit of a non-tax capital lease is that you can still take full advantage of the Section 179 Deduction, yet make smaller payments. With a non-tax capital lease you can acquire and write off \$250,000 worth of equipment this year, without actually spending \$250,000 this year. A small business that is managing cash flow can leverage a non-tax capital lease and still take the Section 179 Deduction.

Examples of non-tax capital leases include a \$1.00 Buyout, and a 10% Purchase Upon Termination (PUT) Lease. In many cases, the amount you save in taxes will be MORE than the total of your first year's payments.

Equipment Financing

You may also obtain an equipment loan using an Equipment Finance Agreement (EFA) and still take the Section 179 Deduction.

Advantages of Leasing and Financing

The obvious advantage to leasing or financing equipment and then taking the Section 179 Deduction is the fact that you can deduct the full amount of the equipment, without paying the full amount this year. The amount you save in taxes can actually exceed the payments, making this a very bottom-line friendly deduction (you are reading this correctly - in many cases, the deduction will actually be profit.)

MORE INFO: <http://www.section179.org/>