

**If you've been waiting for the
best time to buy equipment –
NOW IS THE TIME IN 2008!**



The newly signed Economic Stimulus Act (ESA) provides tax rebates for individuals and tax incentives for small business owners. In 2008, under Section 179, small businesses that purchase less than \$800,000 of capital assets are allowed to WRITE-OFF THE FULL PURCHASE PRICE of the equipment (up to \$250,000).

THERE IS ALSO A ONE TIME BONUS DEPRECIATION OF 50%

Example of how the 2008 tax incentive can potentially mean big tax savings!

2008 EQUIPMENT PURCHASES \$400,000
First Year Write Off - \$250,000 (Under the new law, \$250,000 is the maximum Section 179 write-off in 2008)
Bonus First Year Depreciation - \$75,000 (On remaining value: $\$400k - \$250k = \$150k \times 50\% = \$75k$)
Normal First Year Depreciation - \$15,000 (Depreciation calculated at 5 years, meaning 20% per year. $\$75k \times 20\% = \$15k$)
Total First Year Deduction - \$340,000 ($\$250k + \$75k + \$15k = \$340k$)
Your Tax Savings - \$119,000 (Assume 35% tax rate. $\$340k \times .35 = \$119k$)
Actual Total Equipment Costs - \$281,000 ($\$400k$ less all tax deductions of $\$119k$)

*Please contact your tax advisor to learn how Section 179 can help your business.

Remember these tax savings are for 2008 only. The equipment must be put into use between December 31, 2007 and January 1, 2009 – so you must **ACT NOW!**

Chris Carpenter
Regional Manager
Vendor Services
Ph. 888-475-7916
Fax. 949-809-8816
Cell. 954-254-4184

