

# Don't miss out on potential tax benefits

## in 2018

Businesses have new incentives to acquire and install capital equipment. The Tax Cuts and Jobs Act of 2017 made significant changes to both Section 179 and bonus depreciation which, when used together, may allow businesses to deduct up to 100% of capital purchases.

### Tax changes

#### Section 179

- Deduction limit increased from \$500,000 to \$1,000,000
- Phase-out threshold increased from \$2,000,000 to \$2,500,000

#### Bonus depreciation

- Level increased from 50% to 100% and remains at that level for five years.
- Bonus depreciation was expanded to apply to used and new equipment.

#### Section 179 & bonus depreciation combined

- Total expensing **increased** from \$500,000 to **unlimited** for used equipment.
- Total expensing **increased** from 50% of total spending to **unlimited** for new equipment.

Speak to a qualified tax professional familiar with your specific business circumstances.

For more information, contact:

[usbank.com/leasing](http://usbank.com/leasing)

#### 2018 Section 179 and bonus depreciation tax deduction example

Cost of equipment	\$
Section 179 deduction	\$
Bonus depreciation deduction	\$
Total first year deduction	\$
Cash savings on purchase: (assuming 21% C-Corp tax bracket)	\$
<b>Lowered cost of equipment: (after tax savings)</b>	<b>\$</b>

