

Compeau's Inc.

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Tax advantages for new & used equipment (Section 179 of 2008 tax code)

Example:

Boat package: \$27,500

Typical 1st year deduction \$2,750 (10%)

Deduction under Section 179! \$27,500

Cash Savings on boat purchase -\$9,627
(assumes 35% tax bracket)

Lowered cost of boat purchase! → \$17,887 !

2008 has suddenly become a great year to invest in your business. This is due to the Economic Stimulus Act of 2008, which has significantly increased your purchasing power when it comes to buying new equipment under Tax Code Section 179.

In fact, the deduction limits have almost doubled for 2008, and there is a new onetime bonus 50% depreciation once that limit is reached, making investing in your business this year a very attractive option.

When acquiring new equipment, you would obviously prefer to deduct the entire cost this tax year (2008), rather than a little at a time, over a number of years. Section 179 essentially allows just that; you can deduct, from your taxable income, the full amount of equipment purchases up to the approved limit for a given year (almost doubled to \$250,000 for 2008). Of course, this assumes that the equipment is put into use during the calendar year.

There are some limits to Section 179; the total cost of the equipment that can be expensed cannot exceed the total amount of taxable income during the tax year, and you must be able to use the equipment for the business at least 50% of the time the first year.

Contact your tax advisor to see if this one-time only stimulus program can work for you.

For more detailed information go to: http://www.cr-ny.com/cr-179.htm?qclid=CNqm_Yid_piCFRHNIQodfCamEQ