

SAVE UP TO 35% ON YOUR RECYCLING EQUIPMENT PURCHASE American Recovery and Reinvestment Act of 2009 SECTION 179

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.

Section 179 Deduction Calculator for 2009

Are you considering whether or not to purchase or lease equipment in the current tax year? This Section 179 Deduction Calculator for 2009 may very well help in your decision. The changes in the Section 179 Deduction limits for 2009 are significant, and will save your business a lot of money.

How much money can Section 179 save you?

The new Section 179 Deduction limits will have a real impact on your equipment costs. We have found an easy to use calculator that will help you estimate your tax savings. Simply enter in the purchase price of your equipment, and let the calculator take care of the rest. Please note that this Section 179 Calculator fully reflects the new Section 179 limits brought about by the Economic Stimulus Act of 2008 and extended by the American Recovery and Reinvestment Act of 2009.

2009 Equipment Purchases:	\$ 400,000
First Year Write Off: (Under the new law, \$250,000 is the maximum Section 179 write-off in 2008)	\$ 250,000
Bonus First Year Depreciation: (On remaining value: \$400k-\$250k. \$150k x 50% = \$75k)	\$ 75,000
Normal First Year Depreciation: (Depreciation calculated at 5 years, meaning 20% per year. \$75k x 20% = \$15k)	\$ 15,000
Total First Year Deduction: (\$250k + \$75k + \$15k = \$340k)	\$ 340,000
Tax Savings: (Assume 35% tax rate. \$340k x .35 = \$119k)	\$ 119,000
Total Equipment Cost: (\$400k less all tax deductions of \$119k)	\$ 281,000

This sample calculation shows how taking advantage of the Section 179 Deduction can significantly lower the true cost of the equipment purchased or leased. In the example, \$400,000 in equipment purchased has a **true cost of \$281,000**. That's \$119,000 added to your bottom line, which is substantial.

In order to qualify for the Section 179 Deduction, the **equipment must be purchased or leased and put into service by December 31, 2009**

References:

IRS Publication | Electing the Section 179 Deduction 2008 | <http://www.irs.gov/publications/p946/ch02.html#d0e1927>
 White House Publication | Economic Stimulus Act 2008 | <http://www.whitehouse.gov/news/releases/2008/02/20080213-5.html>