

iLeaseWorks

ACT NOW

**Acquire and put your
business equipment to use
before year-end!**



SAVE with Section 179 Deduction
Take advantage now to save on your 2022 Tax Liability.

Tax Savings Worksheet - Section 179 Deduction

Cost of Equipment	
Section 179 Write-Off Amount	
Bonus Depreciation	
Normal 1st Year Depreciation	
Total First Year Deduction	
Cash Savings on your Equipment Purchase	
<i>(Assuming a 35% Tax Bracket, Depreciation 5 years)</i>	
Lowered Cost of Equipment after Tax Savings	

BUSINESS EQUIPMENT

The 2022 Section 179 Deduction limit before adjustment for inflation has been set at \$1080,000.

- \$1 buyout leases and EFAs qualify for Section 179 Benefits.

QUALIFYING EQUIPMENT UNDER SECTION 179

- Equipment (machines, etc.) purchased for business use
- Tangible personal property used in business
- Business vehicles with a gross vehicle weight in excess of 6,000 lbs
- Computers and computer software
- Property attached to the business building that is not a structural component of the building

Tax Code Section 179 & Election to Expense Detail

The election, which is made on Form 4562, is for the tax year the property was placed in service or an amended return filed within the time prescribed by law. The total cost of property that may be expensed for any tax year cannot exceed the total amount of taxable income during the tax year. Section 179 property is property that you acquire by purchase for use in the active conduct of your business. To ensure property qualifies, reference Publication 946.

This expense deduction is provided for taxpayers (other than estates, trusts or certain non-corporate lessors) who elect to treat the cost of qualifying property as an expense rather than a capital expenditure. Under Section 179, equipment purchases, up to the amount approved for a given year, can be expensed (deducted from taxable income) if installed by December 31st. Non-Tax leases qualify for this deduction in their year of inception. Any excess above the expensed amount can be depreciated depending on the equipment type. Not all states follow federal law. **Contact your tax advisor for the specific impact to your business or visit www.irs.gov.**