

# Business Equipment Financing and the Economic Stimulus Act of 2008

## Section 179 Tax Benefits

New legislation stemming from the Economic Stimulus Act of 2008 has increased the eligibility for Section 179 tax deductions by qualifying new equipment purchases up to \$250,000. Previously, the code limited the deduction to purchases up to \$128,000. The equipment must be placed in service by the end of the calendar year to be recognized for this benefit. Due to inflation, equipment and deduction amounts will likely be adjusted in upcoming years.



Equipment Investment	Total 1st Year Deduction	1st Year Tax Savings*	Final Equipment Cost**
\$150,000	\$150,000	\$51,000	\$99,000

\* Tax savings assumes a 34% tax rate. \*\*Equipment cost less the tax savings in one year

A 50% depreciation bonus exists for purchases over \$250,000.

Both a \$1 Buy Out Lease and an Equipment Finance Agreement qualify for these tax benefits.

Contact a tax advisor for more details and to see if you qualify.

## Application

Please fill out completely and fax to (800) 621-3213.

Business Name \_\_\_\_\_ Contact Name \_\_\_\_\_  
 Address \_\_\_\_\_ Phone \_\_\_\_\_  
 City/State/Zip \_\_\_\_\_ Cell Phone \_\_\_\_\_  
 Fax \_\_\_\_\_ E-Mail \_\_\_\_\_  
 Equipment Description \_\_\_\_\_ Equipment Cost \_\_\_\_\_  
 Lender Name \_\_\_\_\_ Phone Number \_\_\_\_\_

## Questions?

For questions and more information about this subject please contact your local bank representative or Bonita Gorghuber at (877) 677-4987.

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