

In Business, Timing is Everything!

And the time is NOW to move forward with your software and hardware purchases while benefitting from significant tax savings!

Business owners who acquire equipment or software for their businesses usually prefer to deduct the cost in a single tax year, rather than a little over a number of years. This deduction is known by its section in the tax code: Section 179. Under 179, you can elect to recover all or part of the cost of certain qualifying property, up to a limit, by deducting it in the year you place the property in service instead of recovering the cost by taking depreciation deductions.

The "Protecting Americans from Tax Hikes Act of 2015" (PATH Act) was passed by both the House and Senate and signed into law on 12/18/2015. That means until further notice, the Section 179 deduction is permanent at the \$500,000 level.

Businesses exceeding a total of \$2 million of purchases in qualifying equipment, which includes software, have the Section 179 deduction phase-out dollar-for-dollar and completely eliminated above \$2.5 million. Additionally, the Section 179 cap will be indexed to inflation in \$10,000 increments in future years.

For example, if you invest in a new software package and install it in 2016, you are eligible to take a tax deduction in that respective year. **See the following chart to see the benefits of purchasing this year and utilizing the Section 179 Tax advantage.**

	Without 179	With 179
Cost of new equipment/software	\$90,000	\$90,000
First Year Write-Off: Max Tax Code 179	\$0	\$500,000
Amount exceeding threshold	\$0	\$0
179 Bonus 50% 1st Year Depreciation on Balance	\$0	\$0
Normal 1st Year Depreciation*	\$18,000	\$90,000
Total 1st Year Deduction	\$18,000	\$90,000
Cash SAVings on Purchase (28% Tax)	\$5,040	\$25,200
Lowered Cost of Purchase After Tax Savings in 2016	\$84,960	\$64,800

* Normal Depreciation calculated at 5 years = 20% per year

Note: Not all states follow federal law. Contact your tax advisor for specific information regarding IRS Section 179 and all accounting procedures. You can also go to www.Section179.org for more information.



It's Time to Add TrulinX to Your Business Strategy!

For more information, contact Tribute at 800.874.2883