

# In Business, Timing is Everything!

With the changes in the tax laws for 2018, now is the time to invest in software & hardware purchases to benefit 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 Section 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 "Tax Cuts and Jobs Act" signed into law on 11/2/2017 means that the Section 179 deduction has increased to the \$1,000,000 level for 2018 and beyond. Further, the bonus depreciation is 100% and is retroactive to 9/27/2017 and good through 2022.**

For example, if you invest in a new software package and install it in 2018, 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.**

**For more information on Section 179 Savings visit [www.section179.org](http://www.section179.org)**

\* Normal Depreciation for ERP systems calculated at 3 years = 33% 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](http://www.Section179.org) for more information.

	Without 179	With 179
<b>Cost of new equipment/software</b>	\$100,000	\$100,000
<b>First Year Write-Off: Max Tax Code 179</b>	\$0	\$1,000,000
<b>Amount exceeding threshold</b>	\$0	\$0
<b>179 Bonus 100% 1st Year Depreciation on Balance</b>	\$0	\$0
<b>Normal 1st Year Depreciation*</b>	\$33,333	\$100,000
<b>Total 1st Year Deduction</b>	\$33,333	\$100,000
<b>Cash Savings on Purchase (22% Tax)</b>	\$7,333	\$22,000
<b>Lowered Cost of Purchase After Tax Savings in 2018</b>	<b>\$84,960</b>	<b>\$64,800</b>

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**For more information, contact Tribute at 800.874.2883**