



# Create Your Own TAX BREAK In 2016

**This valuable \$500,000 tax write-off expires December 31, 2016**  
*Acquire and put your business equipment into service before year-end.*

## **Business Equipment – I.R.S. Section 179 Expensing Allowance = \$500,000**

Section 179 allows smaller business owners who acquire equipment for their business: machinery, computers, software, and other tangible goods, to immediately write off the full price of the equipment rather than depreciating them over several years. **Section 179** is ready to enhance your bottom line in 2016

If you've been thinking about buying new or used equipment for your business, then THIS is definitely the year to do it, because the I.R.S. is going to give you a VERY generous tax deduction in 2016 **Section 179** applies to new and used equipment purchases, but must be "new to this business" and also includes certain software and vehicles. Under **Section 179**, businesses that spend up to \$2,000,000 a year on qualified equipment may write-off up to \$500,000 in 2016. The rules are designed for small companies, so the \$500,000 deduction phases out when a business purchases more than \$2,000,000 in 2016. (Companies cannot write off *more than* their taxable income).

## **Bonus Depreciation - 50% for 2016 and Benefits of a Non-Tax/Capital Lease**

The benefit of a Non-Tax/Capital Lease is that you can take advantage of Section 179: expense up to \$150,000 if the equipment is put in use in 2016. In addition, you are allowed an additional 50% first-year depreciation on new equipment. Examples of Non-Tax/Capital Leases include a **\$1.00 Buyout Lease**, an **Equipment Finance Agreement (EFA)**, and a **10% Purchase Upon Termination (PUT) Lease**.

The sample calculation shows how taking advantage of Section 179 can significantly lower the true cost of the equipment.

### **Tax Savings Example (Using \$150,000) - Section 179 Deduction**

<b>Cost of Equipment:</b>	<b>\$150,000.00</b>
<b>Section 179 Write-Off Amount:</b>	<b>\$150,000.00</b>
<b>50% Bonus Depreciation:</b>	\$ -
<b>Normal 1st Year Depreciation:</b>	\$ -
<b>Total First Year Deduction:</b>	<b>\$150,000.00</b>
<b>Cash Savings on your Equipment Purchase:</b>	<b>\$ 52,500.00</b>
<small>(Assuming a 35% Tax Bracket, Depreciation 5 years)</small>	
<b>Effective Cost of Equipment after Tax Savings</b>	<b>\$ 97,500.00</b>



### **Act now!**

This incentive is only available through 2016. Acquire and put your business equipment to use before year-end! This is the final year for these kinds of limits.

First Capital Equipment Leasing Corp.  
**LeaseExperts.com**<sup>TM</sup>

*Experienced, Knowledgeable, Competitive & Fast!*

**800-541-0114 • [Linda@LeaseExperts.com](mailto:Linda@LeaseExperts.com)**

**IMPORTANT NOTE:** First Capital Equipment Leasing Corp. does not offer tax advice and is not recommending that you take an action with respect to the information presented. You should review and discuss this program with your CPA and such independent financial, tax, legal and other advisors as you deem appropriate.