



2010 TAX BENEFITS FOR NEW EQUIPMENT

Section 179 Deduction

Under the IRC Section 179, the amount of investment that may be immediately deducted by each businesses for tax year 2010 is \$134,000. This deduction will be adjusted each year for inflation and is effective through December 31, 2010. The equipment should be acquired and put in active use for the specific tax year. Property includes:

- Tangible property (depreciated under MACRS with a recovery period of 20 years or less)
- Computer software (depreciated under Section 167(f)(1))

How it Works

Consider this example:

Equipment Purchase:	\$150,000
1st year write-offs:	
Tax Code 179	\$134,000
<u>Normal 1st year Depreciation*</u>	<u>\$ 2,287</u>
Total Deduction In first Year	\$136,287

Tax Savings: (Tax Rate Assumed 35%)	
Total Tax Savings-**	\$47,701

First year bottom line cost after Tax savings (\$150,000 - \$47,701):	\$102,299
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*14.29% Depreciation based on a seven-year asset life
\$150,000 - \$134,000 Tax Code 179 write-off x 14.29% yearly depreciation

**Assuming a 35% tax bracket, consult your tax advisor as each business has unique tax opportunities.

Contact Us

If you have any questions or require additional information, please feel free to call our office (8am-5pm PST) at 888-MY-AMPAC. Our equipment finance personnel will assist you in timely and professional manner. Website: www.myampac.com

