

Create Your Own Tax Break in 2011

The Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 provides businesses with additional tax benefits through December 31, 2011.

- Under Section 179, businesses spending less than \$2,000,000 a year on qualified equipment may write off up to \$500,000 in 2011.
- 100% Bonus Depreciation on qualified equipment acquired and placed in service after September 8, 2010 thru December 31, 2011.
- The \$500,000 deduction phases out when a business purchases more than \$2,000,000 in one year.
- Companies cannot write off more than their taxable income.
- Your new equipment must be placed in service by December 31, 2011.

Cost of equipment	\$600,000
1st year write-offs	
• Section 179	\$500,000
• 100% Bonus Depreciation ¹	\$100,000
Total deduction in 1st year	\$600,000
Marginal tax rate assumed 35% ²	\$210,000
Bottom line equipment cost after tax savings	\$390,000

In this example your tax savings equates to an increased cash flow in the amount of \$210,000.

¹ 100% bonus depreciation after Section 179 deduction.

² Tax savings are assuming a 35% tax bracket.

What does this mean for Businesses ?

- Our capital leases help businesses take advantage of the tax benefits (above) by extending payments out as long as 5 years.
- Tax Savings could be greater than the amount paid in the first year of a capital lease.

About Us

American Packaging Capital, Inc. is the largest equipment finance company in America focused solely on the packaging and processing equipment industries. Our dedication and understanding of these industries have earned us the title of “Official Leasing Partner” of both Packaging Machinery Manufacturers Institute and Food Processors Suppliers Association. To learn more about us, visit our website at www.myampac.com.

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