

STIMULUS PLAN EXPANDS FIRST  
YEAR DEDUCTIONS FOR NEW  
BUSINESS ASSETS

# Incentives to Invest 2009

## THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 INCLUDES TAX INCENTIVES FOR 2009 PURCHASES.

The Act creates a temporary bonus depreciation provision for equipment or property purchased and placed into service during the 2009 tax year. This provision is considered a bonus as it may be combined with a company's typical depreciation schedule.

<u>EXAMPLE:</u>	<b>WO Bonus</b>	<b>With Bonus</b>
Quoted Solution	\$1,000,000	\$1,000,000
50% ARR Act Bonus	\$0	\$500,000
Remaining Balance	\$1,000,000	\$500,000
MACRS 20%	\$200,000	\$100,000
Remaining Balance	\$800,000	\$400,000
% written off	20%	60%
Est. Tax Benefit*	<b>\$80,000</b>	<b>\$240,000</b>
Benefit % of Quoted Solution	8%	24%

“Customers who make purchases or enter into payment agreements in 2009 may benefit from significant tax advantages”

\*Assumed a 40% corporate tax rate. Additional tax benefits may be available to you under Section 179 of the IRS tax code. Section 179 maximum investment limit is \$800,000. This information represents our general understanding of the application of certain existing U.S. federal income tax laws and regulations. It is not intended to be tax or legal advice. Each company's tax situation is unique and you should consult a tax advisor.

By combining the first-year 50% bonus depreciation and the standard MACRS depreciation deduction, the stated profit on a company's income statement is lower, thereby lowering the company's tax burden.

A lower tax burden means more retained earnings for additional purchases.

Leveraging this special 2009 bonus depreciation can shorten the pay-back period for your project and potentially loosen up the capital budget for additional purchases.

There is no limit for the temporary bonus depreciation which may be used with or without the Section 179 deduction.\*

For further information, contact us at Technology Finance Partners:  
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