

What Is Section 179?

A tax deduction that allows your business to expense 100% of new or used equipment and software purchases in the year of acquisition instead of depreciating it over the longer tax life of the asset.

What Does It Mean?

A tax savings! In 2013, Section 179 deduction has been extended up to \$500,000 on qualified purchases. OR use BONUS depreciation which equates to an effective depreciation deduction of 60% of the cost in Year 1.

Extended Tax Savings Available In 2013 NOW Is The Time To Invest In Your Business

How Does It Work?

Capital Leases/Non-Tax

\$1.00 Buyout, Equipment Finance Agreement (EFA)

Example Calculation: Assumes financing of \$15,000 for business equipment put in use in 2013. Check out the tax savings with either tax incentive!

Equipment Purchase Examples

To Maximize Your Deduction in 2013

Use Section 179 Deduction:	\$15,000
1st Year Tax Savings:*	\$5,250
1st Year Lease Payments:	(\$3,660)
Net Out of Pocket CASH Savings:	\$1,590

OR...

To Preserve Your Deduction For Future Years

Use BONUS Depreciation:	\$9,000
1st Year Tax Savings:*	\$3,150
1st Year Lease Payments:	(\$3,660)
Net Out of Pocket CASH:	(\$510)

(\$6,000 Future Depreciation available at Future Tax Rates)

*Example Assumes a 35% Tax Rate & 60% BONUS Depreciation

True Leases/Tax

10% Purchase Option, Fair Market Value (FMV)

Example Calculation: With a True Lease, the lessor retains ownership, and you the lessee may be allowed to claim the entire amount of the monthly payment as a tax deduction. Check out the tax savings that may be available!

Monthly Payment Example

Monthly Payment:	\$305
Finance Term:	60 Months
Tax Bracket:	35%
Monthly Tax Savings: ($\$305 \times .35$)	\$106
Total Tax Savings: (Over the Term of the Contract)	\$6,360

Tax advantages help lower the cost to obtain the equipment and software your business needs. Bankers Leasing Company offers lease finance solutions for your purchases. Contact us today!

BANKERS LEASING COMPANY



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For current up-to-date details regarding tax incentives please consult your tax advisor. You may also visit www.irs.gov or call the helpline at 800-829-4933.