CANVASS CAPITAL

January 2, 2018



Section 179 Extension takes another step forward

With the passage and signing into law of The Tax Cuts and Jobs Act, the deduction limit for Section 179 increases from $500,000 to $1,000,000 for 2018 and beyond. The "Protecting Americans from Tax Hikes Act of 2015" (**PATH Act**) that was signed into law on December 18, 2015 originally expanded the Section 179 deduction limit to $500,000 for 2017.

Section 179 Deduction: Until further notice, Section 179 will be permanent at the $1,000,000 level. Businesses exceeding a total of $2.5 million of purchases in qualifying equipment have a Section 179 deduction phase-out dollar for dollar above this threshold, which means the Section 179 deduction then is completely eliminated above $3.5 million in qualifying purchases for tax year 2018.

More beneficial news for tax year 2018 is that Bonus Depreciation (50% for 2017) has been increased to 100% and will be good through 2022. Businesses of all sizes will be able to depreciate 100 percent of the cost of equipment acquired and put in service retroactive to September 27, 2017. In addition, the Bonus Depreciation now includes used equipment.

IMPORTANT TO KNOW FOR THIS YEAR: Section 179 for Current 2018 Tax Year
Section 179 can provide you with significant tax relief for this 2018 tax year, but equipment and software must be financed and in place by midnight December 31, 2018.

Sincerely,

Gary Trebels
Certified Lease Professional
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"The Experts in Equipment Financing"