

The IRS Section 179 Deduction has been permanently set at a limit of \$500,000, with an equipment limit of \$2M! Bonus Depreciation is set at 50% through 2017!*

- Equipment & Software Eligible
- Deduction Limit: \$500,000
- Equipment Purchase Limit: \$2,000,000
- Bonus Depreciation: 50%

All information presented is subject to changes at any time by the US Government. Urge your customers to check with their own personal professional tax advisor before undertaking any tax related transactions. All applications are subject to credit approval by Lease Corporation of America.

	<u>Example 1</u>	<u>Example 2</u>
Cost of Equipment:	\$600,000	\$100,000
Section 179 Deduction: <small>Year One Write-Off</small>	\$500,000	\$100,000
50% Bonus Year One Depreciation: <small>$(\\$600,000 - \\$500,000) = \\$100,000 \times 50\%$</small>	\$50,000	\$0
Regular First Year Depreciation Deduction: <small>$(\\$600,000 - \\$500,000) - \\$50,000 = \\$50,000 \times 20\%$</small>	\$10,000	\$0
Total First Year Deduction: <small>$\\$500,000 + \\$50,000 + \\$10,000 / \\$100,000$</small>	\$560,000	\$100,000
Cash Savings on your Equipment Purchase: <small>$\\$560,000 \times 35\% / \\$100,000 \times 35\%$ (assuming a 35% tax bracket)</small>	\$196,000	\$35,000
Lowered Cost of Equipment after Tax Saving: <small>$\\$600,000 - \\$196,000 / \\$100,000 - \\$35,000$</small>	\$404,000	\$65,000
Savings with IRS Section 179 deduction	33.00%	35.00%

*Visit leasecorp.com/179-tax-deduction for more information

Lease Corporation of America is not an authorized tax advisor. You must consult your tax advisor or visit www.irs.gov or contact the **IRS helpline** at **800.829.4933** to confirm if you qualify for this tax benefit.

Contact your dedicated LCA Account Executive for more information