

New for
2010!

Take Advantage of Federal Tax Incentives for New Equipment

Investing in Equipment *Now* Can Payoff in Big Tax Savings

- For buying or leasing equipment, \$1 buyout leases qualify
- For 2010 only – in 2011 the Section 179 deduction drops to \$25,000
- Application Only Fast Track Finance Program for up to \$350,000
- We are manufacturing specialists

Example: \$275,000 Machine

Section 179 Deduction	\$250,000.00
Standard Depreciation (14.29% Yr. 1) $(\$275,000 - \$250,000) \times 14.29\%$	\$3,572.50
Total First Year Depreciation	\$253,572.50
Total Tax Benefit $(\$253,572.50 \times 35\%)$ <i>(35% Federal Tax Bracket assumed)</i>	\$88,750.38

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\$250,000 Write-off

Section 179 Federal Income Tax Deduction: This deduction allows a small manufacturing company to deduct the first \$250,000 of equipment purchased in 2010 from their taxable income. For companies purchasing (or leasing – with a \$1.00 purchase option lease) up to \$800,000 of equipment in 2010 this deduction is available in full. It then phases out between \$800,000 and \$1,050,000 and is not available for companies purchasing over \$1,050,000 of equipment in 2010. However, companies can finance purchases over \$800,000 with an operating lease and may still benefit from this deduction. **In 2011, the Section 179 deduction will decrease to \$25,000 with an investment ceiling of \$200,000.**

Standard Depreciation

Additionally, companies can take their standard depreciation deductions on the adjusted basis for qualified property. Machine tools & fabricating equipment are typically depreciated over 7 years.

