



## Take Advantage of Enhanced Federal Tax Incentives for Capital Equipment

### Investing in Equipment Can Payoff in Big Tax Savings:

#### \$1,160,000 Write-off

The Section 179 deduction allows manufacturing companies to deduct new or used equipment purchases from their taxable income. The annual deduction limit is \$1,160,000, for companies purchasing (loan financing or leasing with a \$1.00 Purchase Option) up to \$2,890,000 of equipment. This deduction phases out dollar-for-dollar from \$2,890,000 to \$4,050,000 and is not available for companies purchasing over \$4,050,000 million in equipment.

#### 80% Bonus Depreciation

Bonus depreciation is taken after the Section 179 deduction limit has been reached. Companies can immediately deduct 80% of the cost of new or used equipment in the year it is placed in service. This bonus depreciation is available through 2023.

### EXAMPLE OF POSSIBLE SAVINGS:

Equipment Cost:.....	\$1,250,000.00
Section 179 Deduction .....	\$1,160,000.00
80% Bonus Depreciation Deduction.....	\$72,000.00
 Total First Year Deduction:.....	 \$1,232,000.00
<b>Total Tax Savings: (\$1,232,000.00 x 32%).....</b>	<b>\$394,240.00</b>
<b>(32% Assumed Federal Tax Rate Bracket)</b>	
<b>Equipment Cost After Tax Savings:.....</b>	<b>\$855,760.00</b>

#### Advantages of Financing through MFR:

- Fast Track Application up to \$500,000 | No Financial Statements
  - Representatives Experienced in Manufacturing
- Flexible Payment Options & Terms with Competitive Rates
  - Simple, Fast, Convenient Process through DocuSign®

*MFR is not a qualified tax advisor. This worksheet must not be interpreted as either a legal opinion or a tax advisory. You should always consult with your accountant prior to making any purchase based on tax consequences.*

### SERVING MANUFACTURERS IN ALL 50 STATES

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