

YOU MAY QUALIFY FOR SIGNIFICANT TAX SAVINGS WITH SECTION 179 AND/OR BONUS DEPRECIATION

WRITE IT OFF NOW, AND PAY IT OFF OVER TIME WITH FINANCING

- The Tax Cuts and Jobs Act of 2017 extended bonus depreciation to 100% and increased the Internal Revenue Service Section 179 limit to \$1,080,000 (adjusted for inflation) for 2022 on qualified equipment.*
- **This means you may be able to write off most or all of the cost of new capital equipment in 2022.** New capital equipment that is purchased and/or financed and placed into service between January 1 and December 31, 2022 may qualify for these deductions.
- This may include equipment that you acquire **via capital lease (\$1 purchase option).**
- If IRS Section 179 allowance of up to \$1,080,000 is used, capital equipment purchases over that allowance may be eligible for 100% Bonus Depreciation.
- OR, 100% Bonus Depreciation may be used instead of Section 179 for capital investment.*

Note: In the example below, Total tax deduction, Potential tax savings, and Net equipment cost after tax savings are the same for either Section 179 or Bonus Depreciation.

CONSIDER THIS EXAMPLE (FOR ILLUSTRATIVE PURPOSES ONLY):

| POTENTIAL TAX SAVINGS | 2022 TAX YEAR |
|---|------------------|
| Purchase price | \$150,000 |
| Total tax deduction using Section 179 and/or Bonus Depreciation | \$150,000 |
| Potential tax savings in the 21% tax bracket | \$31,500 |
| Net equipment cost after tax savings | \$118,500 |

HOW CAN YOU REALIZE TAX SAVINGS FROM IRS SECTION 179 AND/OR BONUS DEPRECIATION?

Contact your accountant or financial advisor today to find out more about the new tax law changes and specific benefits you may receive when acquiring new equipment.

CONTACT YOUR LOCAL REPRESENTATIVE FOR MORE INFORMATION:

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*Note: This deduction is capped at a maximum of \$2,700,000 in capital expenditures. For every dollar that your total capital expenditures exceed \$2,700,000, your Section 179 deduction is reduced by one dollar up to \$3,780,000. Being in a taxable loss situation in a given tax year will preclude a qualifying taxpayer from taking an IRS Section 179 deduction in the loss year.

