

# Western Equipment Finance

## Section 179 Tax Savings

Business owners who acquire equipment for their business may elect an enhanced deduction in a single tax year, rather than a little at a time over a number of years. This deduction is known by its section in the tax code, a Section 179 deduction. Businesses may write-off up to \$1,000,000 per year if they spend less than \$2,500,000 on qualified equipment. In addition, bonus depreciation is 100% and is made retroactive to 9/27/2017 and good through 2022. The bonus depreciation now includes used equipment.

### Profit from Financing & Section 179

By financing your equipment purchase with Western Equipment Finance, your company can actually earn a profit from your Section 179 Tax Deduction! Your company may be able to deduct the full purchase price of the equipment for the current year's taxes, but only pay a fraction of the cost with monthly payments. The amount you save in taxes can actually exceed the payments you make during the taxable year. By financing your equipment, you can invest your cash in the growth of your company and earn returns that exceed the cost of financing.

### Tax Savings Calculation

Section 179 Deduction What can it do for you on this financing project?	2018 Benefit	Historical (without Section 179)
Cost of Equipment	\$75,000	\$75,000
Section 179 Write-Off Amount	\$75,000	N/A
100% Bonus First Year Depreciation	\$0	N/A
Regular First Year Depreciation	\$0	\$15,000
Total First Year Deduction	\$75,000	\$15,000
<b>Tax Savings on your Equipment Purchase:</b> <small>(Assuming 35% tax bracket, 5 year depreciation)</small>	<b>\$26,250</b>	<b>\$5,250</b>
<b>Net Equipment Price After Tax Savings</b>	<b>\$48,750</b>	<b>\$69,750</b>

An Additional Savings of **\$21,000**

#### Tax Code Section 179 & Election to Expense Detail

The election, which is made on Form 4562, is for the tax year the property was placed in service or an amended return filed within the time prescribed by law. The total cost of property that may be expensed for any tax year cannot exceed the total amount of taxable income during the tax year. Section 179 property is property acquired for use in the active conduct of your business. To ensure property qualifies, reference Publication 946.

Contact your tax advisor for the specific impact to your business or visit [www.irs.gov](http://www.irs.gov).

Note: Western Equipment Finance, Inc. does not provide legal, tax, or accounting advice. We recommend customers obtain and rely upon such advice from its own accountants, auditors, attorneys, or other professional advisors. For complete details or changes, please visit [www.irs.gov](http://www.irs.gov) or contact the IRS helpline at: 800-829-4933.

**Want to  
learn more?  
Contact Us Today!**

### Caleb Boyd

Vice President, National Business Development

Phone: 704-364-3373

Cell: 704-942-5030

[Caleb.Boyd@WesternEquipmentFinance.com](mailto:Caleb.Boyd@WesternEquipmentFinance.com)

### Western Equipment Finance

503 Highway 2 West • Devils Lake, ND 58301 • 800-451-7087 • [www.WesternEquipmentFinance.com](http://www.WesternEquipmentFinance.com)