

# CUBIC MACHINERY

Newsletter | June 2017

EQUIPMENT  
PURCHASE  
**INCENTIVE**  
FROM  
UNCLE SAM

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**NEW FOR 2017**



With the Section 179 tax deduction, NOW is the perfect time to invest in the future of your business.

Simply put, Section 179 tax deduction allows businesses to write-off 100% in the same year for machinery purchased or leased, up to a cap of \$500k. Beyond the \$500k, there is also a 50% Bonus First Year Depreciation. This has the effect of GREATLY lowering the effective cost of equipment purchase for small businesses. Example below:

## 2017 Section 179 Example Calculation

<b>Equipment Purchases</b>	<b>\$650,000</b>
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First Year Write-Off	\$500,000
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50% Bonus First Year Depreciation ( $\$650,000 - \$500,000$ ) x 0.50	\$75,000
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Normal First Year Depreciation (Assuming 20% in each of 5 years on remaining amount)	\$15,000
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Total First Year Deduction ( $\$500,000 + \$75,000 + \$15,000$ )	\$590,000
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Cash Savings ( $\$590,000 \times 35\%$ tax rate)	\$206,500
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<b>Equipment Cost after Tax</b> (Assuming 35% tax bracket)	<b>\$443,500</b>
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This is an example and assumptions made may not apply to you. As always please consult your tax advisor for details.

Join millions of businesses in taking advantage of this incentive. Now is the time to bring in new equipment to turbo charge your business growth.