

# 2014 Tax Benefits

## Financial Solutions Made Easy

Businesses had significant reasons to acquire and install capital equipment before the end of 2013, thanks to the American Taxpayer Relief Act of 2012. Although Section 179 has been restored to its original limit for 2014, businesses can still maximize on these advantages.

### Highlights for tax benefits:

- The allowable Section 179 deduction has decreased to \$25,000 on the cost of new and used equipment purchased through 12/31/2014
- 50% bonus depreciation no longer available

### Section 179 deduction

For 2014, companies can expense up to \$25,000 as a deduction as long as total purchases do not exceed \$200,000.

- Applies to new and used equipment
- The maximum qualified equipment investment amount that is eligible for the full \$25,000 deduction in 2014 is \$200,000
- Beyond the \$200,000 maximum equipment investment threshold, there is a dollar for dollar phase-out of the Section 179 Deduction
- Equipment acquisitions exceeding \$200,000 are not eligible for any Section 179 deduction

### Benefits of Financing

More than eighty percent of U.S. companies finance some, if not all, of their equipment and technology purchases. Businesses can finance 100% of the project including equipment, delivery, installation, and tax. So why not take advantage of all the benefits your business can get from financing an equipment purchase.

- Conserve Working Capital
- Easier than bank loans and just as competitive
- Fixed Payments and little out of pocket money
- Flexible & Convenient
- Single Point of Contact
- All or some of the monthly payment may be expensed

### Section 179 deduction and bonus depreciation in action:

<b>Cost of equipment</b>	<b>\$25,000.00</b>
1st year write-offs	
• Section 179	\$25,000.00
• Normal 1st year depreciation*	\$0.00
Total 1st year deduction	\$25,000.00
Potential tax savings in 2014**	<b>\$8,750.00</b>
<b>Equipment cost after tax savings year one</b>	<b>\$16,250.00</b>

\*Based on an expected 5 year asset life

\*\*Tax savings assume a 35% tax rate

Because of the value of accelerated deductions vs. recovery over time, you may find it valuable to better understand these tax provisions and determine if they can work to your advantage.

**Don't delay - speak to your tax and accounting advisors today to maximize these and other incentives this year.**

**Contact your Horizon Keystone finance representative at 800-606-0049 to learn more.**