

Section 179 Savings + 90 Day Deferred Payments

Tax savings in 2017 with no payments until 2018!

By utilizing a 90 Day Payment Deferral, you can acquire your technology solution today and make no payments until 2018. When you combine a payment deferral with the tax savings in Section 179 of the IRS tax code, you can also take a tax deduction in the current year without making a single payment until next year.

What is Section 179?

Section 179 of the IRS tax code allows a business to **deduct up to 100% of the purchase price** of qualifying technology acquired during the tax year rather than depreciating it over several years. For total purchases above \$500,000, you may qualify for a **bonus depreciation of 50%**.

What are the qualifications?

- For amounts up to \$500,000, a business can deduct 100% of the cost
- For amounts above \$500,000, a business can deduct a bonus depreciation of 50%
- For amounts exceeding \$2,000,000, the Section 179 Deduction begins to be reduced
- Qualifying technology must be placed into service before December 31, 2017
- Qualifying technology includes: hardware, off-the-shelf software and office equipment.

2017 SECTION 179 EXAMPLE	
Equipment Purchases:	\$150,000
First Year Write Off: <small>\$500,000 = maximum in 2013</small>	\$150,000
50% Bonus First Year Depreciation: <small>Applicable only to amounts over \$500,000</small>	\$ 0
Total First Year Deduction: <small>\$150,000 (normal annual depreciation)</small>	\$150,000
Tax Savings: <small>\$150,000 x 35% tax rate</small>	\$ 52,500

90 Day Deferred Payments

- Allow you to acquire your technology today and make your first payment 90 days after the commencement of your lease.
- You can acquire your equipment this year without having to use this year's budget
- 90 Day Deferred Payments are subject to credit approval and must be followed by a monthly payment plan.

For more information on leasing, contact VAR Technology Finance today!

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