

SECTION 179

WHAT THE NEW DEDUCTION MEANS
FOR **YOUR** BUSINESS

ATTENTION
customers



GET ANSWERS TO FREQUENTLY ASKED QUESTIONS
ABOUT THE SECTION 179 TAX DEDUCTION.

- **2020 DEDUCTION LIMIT = \$1,040,000**

This deduction is good on new and used equipment, as well as off-the-shelf software. To take the deduction for tax year 2020, the equipment must be financed or purchased and put into service between January 1, 2020 and the end of the day on December 31, 2020.

- **2020 Spending Cap on Equipment Purchases = \$2,590,000**

This is the maximum amount that can be spent on equipment before the Section 179 Deduction available to your company begins to be reduced on a dollar for dollar basis. This spending cap makes Section 179 a true “small business tax incentive” (because larger businesses that spend more than \$3,630,000 on equipment won’t get the deduction.)

- **Bonus Depreciation: 100% for 2020**

Bonus Depreciation is generally taken after the Section 179 Spending Cap is reached. The Bonus Depreciation is available for both new and used equipment.

- ➔ **Additional information** — click [here](#).
- ➔ **Form 4562 from the IRS** — click [here](#).

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