

INCREASED TAX ADVANTAGES

IRS Section 179 and Bonus Depreciation


LEGEND BRANDS

The Section 179 Deduction limit has been increased to \$1,250,000. That's a \$30k jump from 2024!

- If you buy (or finance) a piece of equipment or software, you can deduct the Full Purchase Price (up to \$1,250,000) from your gross income.

The 2025 Section 179 deduction threshold for total amount of equipment that can be purchased is \$3,130,000.

- You can purchase more equipment for your business and still have the benefit of the Section 179 deduction.

The BEST advantage for small and mid-sized businesses:

- 40% Bonus Depreciation on qualified equipment acquired and placed in service from 1/1/25 through 12/31/25. The bonus depreciation now includes used equipment. It falls to 20% in 2026 and expires in 2027.
- The \$1,250,000 deduction from Section 179 phases out when a business purchases more than \$3,130,000 in one year.
- **Take Advantage Now!** Tax Savings could be greater than the amount paid in the first year of a lease agreement.

EXAMPLE EQUIPMENT COST: \$25,000

FIRST YEAR WRITE-OFF: \$25,000

\$1,250,000 is the max. Section 179 write-off

40% BONUS DEPRECIATION: \$0

On any remaining value above \$1,250,000

NORMAL 1ST YR. DEPRECIATION: \$0

Depreciation calculated at 5 years = 20%

TOTAL 1ST YR. DEPRECIATION: \$25,000

Add Section 179 Deduction, Bonus Depreciation and First Year Depreciation

TAX SAVINGS

ASSUMING RATE OF 21%: \$5,250

Equipment Cost x 21%

1ST YR. NET COST

AFTER TAX SAVINGS: \$19,750

Equipment Cost - Tax Savings



**SCAN TO CALCULATE
YOUR POTENTIAL
TAX SAVINGS!**

CONTACT US FOR MORE INFO:

*Credit & equipment restrictions apply.

This program does not assume your company will qualify to take advantage of the IRS Section #179 depreciation schedule which allows rapid first year depreciation of certain assets acquired. The amount of previous depreciation your company may have used may affect your ability to utilize the elections. Please consult your tax advisor or accountant for additional information. Equipment must be purchased and placed in service by 1/1/2026.