

## SUMMARY

### Expanded Section 179 Expenses

1. *Small Business and Jobs Act of 2010 signed into law September 27, 2010*
2. *Extends the 2008/2009 Section 179 expansion (Economic Stimulus Act of 2008) through tax year 2011*
3. *Increases the Section 179 allowable expenses to \$500,000 (up from \$250,000 in 2009)*
4. *Previous law phased out the deductions as eligible purchases exceeded \$800,000. The new ceiling for this phase-out has been raised to \$2,000,000*

### Bonus 50% Accelerated Depreciation

1. *Extended ONLY for tax year 2010 (ending December 31, 2010)*
2. *Businesses of ANY SIZE can deduct up to 50% of the costs of their NEW and QUALIFIED equipment in the year of purchase. Note, the equipment MUST be NEW and QUALIFIED to take advantage of this bonus depreciation.*
3. *50% of such expenses are deducted in the year of purchase. The other 50% is depreciated or spread out over the normal life of the equipment.*
4. *This bonus was supposed to be effective until the end of December 31, 2009. However, this Act extends this tax break through purchases made and USED in 2010.*

**This is an incredible deal that can add thousands of dollars to your cash flow. But it won't last long: These incentives are only available for a limited time.**

The Small Business and Jobs Act of 2010, signed into law on Sep 27, 2010, includes two significant business related tax incentives that may lower your cost of investing in new Cold Jet dry ice cleaning or production equipment.

- 1) Expanded (Section 179) Expenses for Small Businesses:  
The first year expensing limit on capital equipment purchases for small businesses has been increased from \$250K to \$500K for tax years 2010 & 2011.
- 2) Accelerated Depreciation for All Businesses:  
The 50% bonus expensing allowance, also known as "bonus" provision or accelerated depreciation, has been reinstated (for 2010 Only).

## Expanded Section 179 Expenses for Small Business

In 2010, small businesses can expense \$500K of capital equipment purchases in the first year. That's up from \$250K in 2009... helping your company manage its cash by avoiding the tax on an additional \$250K (that's a \$100K savings at a 40% tax rate)!

- You can qualify to claim this expense if you purchase less than \$2,000,000 of capital assets during your 2010/2011 fiscal years.
- This is effective on capital equipment purchased and put into service during your business's 2010 and 2011 tax years (dates are based on your fiscal year).

## Bonus 50% Accelerated Depreciation for All Business

In 2010, all businesses can expense 50% of capital equipment purchases in the first year.



- All companies, regardless of the size of their capital investment, may qualify for this deduction.
- You can expense 50% of your capital investment in the first year, and depreciate the remaining balance under regular depreciation rules (the 50% bonus depreciation is taken first, which reduces the remaining depreciation of the property).
- This is effective on capital equipment purchased and put into service between January 1, 2010 and December 31, 2010.

**See more details of the Small Business and Jobs Act of 2010 at:**

- <http://business-law.lawyers.com/blogs/archives/9071-New-Business-Tax-Breaks-as-Part-of-New-Business-Jobs-Act-of-2010.html>