

IMPORTANT TAX DEDUCTION FOR EQUIPMENT

IRS SECTION 179

Thanks to IRS Section 179 guidelines of the Federal Tax code, businesses (large or small) investing in new equipment may be eligible to deduct the full purchase price of the equipment in the year it is placed in service. Qualifying equipment of up to \$1,040,000 annually is allowed, with the full deduction taking place in the current tax year as opposed to spreading it out over the life of the equipment. **Please contact your tax advisor to see if your business qualifies for the deduction.**

Why Act Now?

- Significant tax relief for businesses investing in qualifying capital
- The Section 179 deduction can be taken on qualified equipment that is either financed or purchased



John Henry Foster (JHFoster) is a leading distributor and service provider of automation, robotics and compressed air systems. Our mission is to assist companies like yours automate their manufacturing applications to make the process a positive journey. We are committed to providing successful solutions that exceed production demands, reduce costs, and increase overall efficiencies.

Headquartered in Eagan, MN, with an advanced robotics training facility and in-house UL 508A and UL 698A certified control panel shop, we also offer a fully-equipped team of mobile technicians who provide service to the 5-state area. Contact us today at 800.582.5162, solutions@jhfooster.com or visit us at jhfooster.com to learn more about how you might benefit from knowing us.

2020 SECTION 179 EXAMPLE CALCULATION

Equipment Purchases:	\$ 100,000
First Year Write Off: (\$1,040,000 = maximum in 2020)	\$ 100,000
Normal First Year Depreciation: (20% in each of 5 years on remaining amount)	\$ 0
Total First Year Deduction: (\$100,000 + 0)	\$ 100,000
Cash Savings: (\$100,000 x 35% tax rate)	\$ 35,000
Equipment cost after Tax: (assuming a 35% tax bracket)	\$ 65,000