

# Section 179: Tax Savings

## 4 steps to get prepared.

### Step 01

#### Understand the basics

Section 179 allows you to subtract the cost of certain types of assets from your balance sheet. Assets or leased assets that are qualified purchases can be written off as an expense during the purchase year. Remember: to meet the tax deduction, the qualified assets must be in use by December 31 of the tax year.

**Leased vs Purchased:** When it comes to Section 179 it doesn't matter, and equipment may still qualify for the deduction. The major difference - cash flow. Leased equipment allows you to pay less upfront, pay monthly, and still receive 100% deduction under Section 179, lowering out of pocket expenses.

**\$1,160,000** allowance on qualifying equipment

**80%** bonus depreciation for capital equipment over the allowance amount

**\$2,890,000** deduction phase out with complete phase out at \$3,670,000



### Step 02

#### Determine qualifying assets

The easiest way to determine if an asset will qualify is to consult a professional tax advisor or accountant. That said, most leased equipment and software qualifies under Section 179. Take an inventory of all equipment you have purchased this year and think could qualify. This will help prepare for discussions with an advisor and allow you to take full advantage of Section 179.

### Step 03

#### Calculate potential savings

We're not accountants, but we tried to make this part easy. Use this Section 179 Calculator to see your potential savings.

[financialpc.com/179calc](https://financialpc.com/179calc)

### Step 04

#### Cash in on Section 179

With Section 179, now your assets won't be an expense for your business, and you may be eligible to pay less in taxes if assets are used within the first year. Discuss with your advisor to learn more about the benefits that may be available to you when leasing equipment.

If you're still not sure where to start - we're here to help. Reach out to your partner at FPG and we'd be happy to talk more.

**GranQuartz**  
STONE TOOLS AND EQUIPMENT

- ✓ You understand the basics
- ✓ You've identified qualifying assets
- ✓ You've calculated potential savings
- ✓ Time to pull it all together



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