



## **BONUS DEPRECIATION**

# 2011

### **FIRST YEAR BONUS DEPRECIATION INCREASED TO 100%**

Did you know that  
\$1 Buyout agreements  
qualify for this temporary  
tax break?

Over the last few years, the Internal Revenue Code has allowed businesses a 50% "bonus" depreciation deduction for new asset purchases.

Now it's 100%, thanks to 2010 tax relief laws.

The bonus depreciation applies to qualifying assets placed in service from Sept. 8, 2010 through Dec. 31, 2011.

#### **Section 179**

In addition to increasing bonus depreciation to 100%, the tax relief laws increased the Section 179 deduction from \$250,000 to \$500,000, allowing businesses to write off up to \$500,000 in qualified new and used assets (e.g. software, equipment).

**Note:** If the business invests more than \$2 million in equipment during the year, the \$500,000 deduction is reduced by one dollar for every dollar over \$2 million.

**NOTE:** This flier is based on assumptions that may not apply to your business or to your lease. This is not tax advice. Please see your tax advisor to be certain as to how to apply bonus depreciation and the Section 179 deduction to your specific situation.