

**Below is data on some of the tax advantages available via the US Government for new equipment purchases that are being offered to help jump start the economy.**

**This may present an opportunity to review your applications for direct parts marking.**

**If Hillcrest Enterprises can help you with a laser purchase (or other equipment) contact us today. To benefit from this tax break, equipment must be purchased and in use in the 2009 calendar year.**

**Call Hillcrest Enterprises at 804-798-8390 or contact your local rep:**

**John Botic 724-825-1189**

**Larry Lester cell: 704.609.2321**

**Bill Farmer 804-798-8390 cell: 804-337-4312**



## **2009 Laser Equipment Stimulus Package: Enormous Savings!**

2009 has suddenly become a great year to invest in your business. Due to The Economic Stimulus Act and the Section 179 deduction, which has been extended through December 31<sup>st</sup>, 2009, business' purchasing power has been significantly increased when it comes to buying new laser equipment.

Business owners who acquire equipment for their business: machinery, computers, and other tangible goods, usually prefer to deduct the cost in a single tax year, rather than a little at a time over a number of years. Taking the deduction in a single tax year is known by its section in the tax code, as a Section 179 deduction.

Under Section 179, businesses that spend less than \$800,000 a year on qualified equipment may write-off up to \$250,000 in 2009. The rules are designed for small companies, so the \$250,000 deduction phases out when a business purchases more than \$800,000 in one year. (Companies cannot write off more than their taxable income).

<http://www.section179.org/>

The Economic Stimulus Act of 2008 generously increased the limits of the Section 179 Deduction. The previous limits were \$125,000 for the deduction and the total amount of equipment purchased or leased for the year had to be less than \$500,000. The Economic Stimulus Act of 2008 increased the deduction limit to \$250,000, and now the total equipment purchased or leased needs to be less than \$800,000. It also added a one-time "bonus depreciation" on equipment that exceeded the \$250,000 deduction limit.

Check out the example below to see how much you can save on new laser equipment purchases in 2009.

## Basic Desktop Laser Example

Cost of Equipment:	\$60,000
Section 179 Deduction if Purchases are \$800,000+ (Dollar for Dollar phase out if over 800,000)	----- -----
Section 179 Write-Off Amount:	\$60,000
50% Bonus Depreciation	-----
Regular First Year Depreciation Deduction	\$60,000
Total First Year Deduction	\$21,000
(Assuming a 35% Tax Bracket, Depreciation 5 years)	
<b>Lowered Cost of Equipment after Tax Savings</b>	<b>\$39,000</b>

In order to receive the tax break benefits, equipment needs to be purchased and in use in the 2009 calendar year. To help business meet these requirements, orders should be placed by the third quarter of this year to ensure there are no delays.