

Date: January 4, 2011

Subject: New Tax Law Changes

For new equipment purchased between September 9, 2010 and December 31, 2011, 100% of the cost can be written off. This is actually 100% bonus depreciation and it is not capped or limited.

For fiscal years 2010 and 2011, the section 179 (one-time write off) is \$500,000, with phase out beginning at \$2,000,000. For 2012, the section 179 limit is \$125,000 with a phase out beginning at \$500,000. Obviously this is only applicable for used equipment during the period September 9, 2010 – December 31, 2011 since new equipment purchases qualify for 100% bonus depreciation.