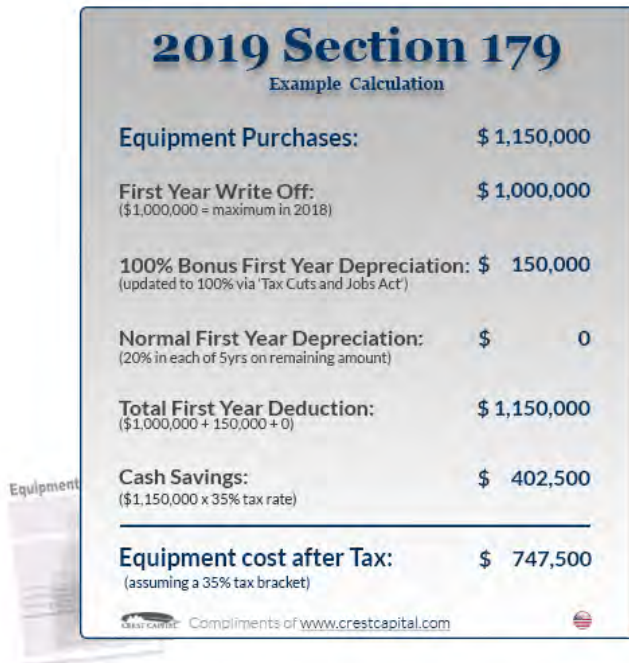


## Benefit from 2019 Tax Incentives

Write it off now, and pay it off over time with financing, Section 179 and bonus depreciation.

- This is the maximum amount that can be spent on equipment before the Section 179 Deduction available to your company begins to be reduced on a dollar for dollar basis. This spending cap makes Section 179 a true “small business tax incentive” (because larger businesses that spend more than \$3.5 million on equipment won’t get the deduction.)
- This means you may be able to write off most or all of the cost of new capital equipment in 2019. Most new capital equipment contracted and placed into service between January 1 and December 31, 2019 can qualify for these deductions.
- This includes equipment that you acquire via capital lease (\$1 purchase option).
- Capital equipment investment over \$1,000,000 is also eligible for 50% bonus depreciation and standard MACRS depreciation on top of the Section 179 allowance.



2019 Section 179 Example Calculation	
Equipment Purchases:	\$ 1,150,000
First Year Write Off: <small>(\$1,000,000 = maximum in 2018)</small>	\$ 1,000,000
100% Bonus First Year Depreciation: <small>(updated to 100% via 'Tax Cuts and Jobs Act')</small>	\$ 150,000
Normal First Year Depreciation: <small>(20% in each of 5yrs on remaining amount)</small>	\$ 0
<b>Total First Year Deduction:</b> <small>(\$1,000,000 + 150,000 + 0)</small>	<b>\$ 1,150,000</b>
Cash Savings: <small>(\$1,150,000 x 35% tax rate)</small>	\$ 402,500
<b>Equipment cost after Tax:</b> <small>(assuming a 35% tax bracket)</small>	<b>\$ 747,500</b>

Equipment

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## How can you realize tax savings from Section 179?

Contact your accountant or financial advisor today to find out more about the new tax law changes and specific benefits you may receive when acquiring new equipment.

**Lonestar Forklift 2017 USA, Inc. does not provide legal, tax or accounting advice. The customer must obtain and rely on such advice from its own accountants, auditors, attorneys or other professional advisors. \*Note:** Limits of Section 179

Section 179 does come with limits – there are caps to the total amount written off (\$1,000,000 for 2019), and limits to the total amount of the equipment purchased (\$2,500,000 in 2019). The deduction begins to phase out on a dollar-for-dollar basis after \$2,500,000 is spent by a given business (thus, the entire deduction goes away once \$3,500,000 in purchases is reached), so this makes it a true small and medium-sized business deduction. In addition, if you have a taxable loss for the year, you are ineligible for the Section 179 deduction. Consult your tax or legal advisor for complete details specific to your situation.

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