

2011 Tax Incentives

DIRECTCAPITAL[®]
CORPORATION

Reduce Your Cost of Ownership with the Small Business Jobs & Credit Act of 2010

This renewal of the enhanced Section 179 tax incentive may **lower your cost** of acquiring equipment through increased expense limits on equipment purchases of \$500,000. These benefits are good **only for qualifying purchases made in 2011**. Strategically purchasing equipment or technology for your business this year could significantly reduce your cost of ownership. Please read below for details on how your business could benefit.

SECTION 179 INCREASE

The Section 179 limit for 1st year expense in 2011 is now \$500,000. This can be applied to both new and used equipment.

What this could mean for your business: Instead of depreciating a newly acquired asset over several years, the Section 179 expense allows a business to take a current year deduction of the full purchase amount up to \$500,000 for assets under \$2 Million. This benefit begins to decline after total new asset acquisition tops \$2 Million. Over \$2 Million, the amount you can deduct decreases by \$1 for every dollar spent above \$2 Million.

SAMPLE SAVINGS

Original Equipment Cost:	\$48,000
<u>2011 Potential Tax Savings:</u>	<u>\$16,800</u>
Final Equipment Cost	\$31,200
Savings on Equipment Purchase :	\$16,800

**The above example assumes a 35% tax bracket on qualifying purchase*

**Contact Your Direct Capital Finance
Manager for more information**

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