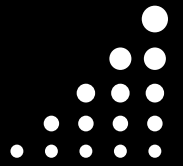


# U.S. Government Tax Incentives

that free up cash and save money for businesses



## Jump into a greener future with tax incentives when you buy or lease equipment in 2011!

### How it works:

**1** Expense up to \$500,000 of your equipment purchase(s). This optional benefit is referred to as Section 179 and applicable to new or used equipment purchased in 2010 or 2011. Your company can lease equipment and still take full advantage of the Section 179 deduction, if certain conditions are met.<sup>1</sup>

Example: Your purchase was \$1,100,000. Expense \$500,000. What remains, \$600,000, is your tentative basis for depreciation.

**2** Take a 100% bonus depreciation-- applicable only to new capital equipment purchased and placed into use between September 9, 2010 and December 31, 2011. The Tax Relief Act of 2010, HR 4853,<sup>1</sup> allows you to depreciate 100% of the cost of new equipment in the first year.

Example: If you took advantage of Section 179 described in the scenario above, apply the 100% depreciation bonus to the tentative depreciable basis of \$600,000. This calculates to \$600,000 depreciation in the first year. The remaining basis for depreciation is now \$0.

**3** If the equipment acquired is used, the bonus depreciation does not apply. However, you can still depreciate another 20% in the first year as you normally would under MACRS.<sup>2</sup>

Example: Your used equipment cost \$600,000. You expensed \$500,000 with Section 179 so the tentative basis for depreciation that remains is \$100,000. A 20% MACRS depreciation calculates to \$20,000.

### What it means:

These incentives allow you to invest in your company today, so you save money for your business tomorrow!

This document is informational only and should not be construed as tax advice or as a promise of potential tax savings or reduced tax liability. For more information about tax benefit programs, contact a tax professional or visit the IRS at [www.irs.gov](http://www.irs.gov).

<sup>1</sup>Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, as reported on [www.section179.org](http://www.section179.org).

<sup>2</sup>Department of the Treasury Internal Revenue Service, Publication 946 How to Depreciate Property.

Contact Presstek now to upgrade your equipment and save taxes.

**800-524-0003**

ext. 3599 • [info@presstek.com](mailto:info@presstek.com)

