

Purchase our equipment in 2019 to realize substantial tax relief

The Tax Cuts and Jobs Act of 2017 increases Section 179 expensing and bonus depreciation for eligible equipment

Section 179 Allowance:

The Tax Cuts and Jobs Act (H.R.1) makes the Section 179 expensing allowance permanent and is now set at the \$1,020,000 level in 2019 for qualifying new and used equipment. Businesses with over \$2,550,000 of purchases in 2019 will have the expense deduction phase out dollar for dollar up to \$3,500,000. In addition, the Section 179 amounts are indexed to inflation in \$10,000 increments for future years.

Bonus Depreciation:

The Tax Cuts and Jobs Act (H.R.1) extends and modifies the rules pertaining to bonus depreciation. The applicable bonus depreciation percentage will now be 100% for property placed in service during 2019.

Example of an equipment purchase of \$500,000

Purchase price	\$500,000
1st year Section 179 allowance	\$1,020,000
Total 1st year deduction	\$500,000
Potential 1st year tax savings (21% tax bracket)	\$105,000
After tax cost of equipment	\$395,000

Example of an equipment purchase of \$1,000,000 using 100% Bonus Depreciation

Purchase price	\$1,000,000
100% Bonus Depreciation (\$1,000,000 x 100%)	\$1,000,000
Total 1st year deduction	\$1,000,000
Potential 1st year tax savings (21% tax bracket)	\$210,000
After tax cost of equipment	\$790,000

For more information, please contact your Hyundai Construction Equipment District Manager or a representative from one of our panel lenders.