



JOHN DEERE



SECTION 179 TAX DEDUCTION

BONUS DEPRECIATION IS CURRENTLY SCHEDULED TO PHASE OUT OVER THE NEXT SEVEN YEARS SO TAKE ADVANTAGE OF THIS PROGRAM SAVINGS NOW!

SECTION 179 TAX DEDUCTION

The Section 179 Bonus Depreciation Program has two key benefits:

- ❶ Section 179 provides a deduction on the cost of NEW and USED capital equipment purchases — an investment cap applies.
- ❷ BONUS DEPRECIATION can be combined with Section 179 deduction for additional savings. Bonus depreciation enables you to take additional depreciation on NEW and USED (new to you) capital equipment purchases.



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HOW TO GET IT?

Section 179 allows businesses to deduct the full cost of qualifying new and used equipment from your 2020 taxes, up to \$1,000,000. The ability to take deductions under Section 179 begins to phase out for total equipment purchases in excess of \$2,500,000. Equipment must be purchased and placed into service by December 31, 2020.

CALCULATION - SAMPLE SCENARIO	
EQUIPMENT COST:	\$100,000
SECTION 179 DEDUCTION	\$100,000
BONUS DEPRECIATION (100%)	\$0
FIRST YEAR DEDUCTION	\$100,000
CASH SAVINGS:	
(35% TAX BRACKET)	\$35,000
(21% TAX BRACKET)	\$21,000
COST OF EQUIPMENT AFTER TAX SAVINGS:	
(35% TAX BRACKET)	\$65,000
(21% TAX BRACKET)	\$79,000

BONUS DEPRECIATION PHASE OUT SCHEDULE	
PLACED-IN-SERVICE-DATE	BONUS DEPRECIATION
Today to December 31, 2022	100%
January 1, 2023 to December 31, 2023	80%
January 1, 2024 to December 31, 2024	60%
January 1, 2025 to December 31, 2025	40%
January 1, 2026 to December 31, 2026	20%
January 1, 2027 and thereafter	0%

FOR MORE INFORMATION CALL YOUR LOCAL FIVE STAR EQUIPMENT BRANCH OR TERRITORY SALES MANAGER!



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IMPORTANT: The information in this flyer is provided as a customer service by Five Star Equipment. However, it should not be construed as tax advice. We strongly recommend that you consult with your tax advisor regarding how these tax-saving opportunities apply in your situation.