



JOHN DEERE



# SECTION 179 TAX DEDUCTION

**BONUS DEPRECIATION WILL PHASE OUT BY DECEMBER 31, 2026, SO TAKE ADVANTAGE OF THIS PROGRAM SAVINGS NOW!**

## SECTION 179 TAX DEDUCTION

The Section 179 Bonus Depreciation Program has two key benefits:

- 1 Section 179 provides a deduction on the cost of NEW and USED capital equipment purchases — an investment cap applies.
- 2 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 2021 taxes, up to \$1,050,000. 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, 2021.

EXAMPLE	
<b>EQUIPMENT PURCHASES IN 2021</b>	<b>\$1,500,000</b>
SECTION 179 DEDUCTION (\$1,050,000 maximum in 2021)	\$1,050,000
BONUS DEPRECIATION (100% in 2021)	\$450,000
TOTAL DEDUCTION IN 2021	\$1,500,000
<b>TAX SAVINGS</b>	
ASSUMING 35% TAX BRACKET	\$525,000
<b>NET COST OF EQUIPMENT AFTER TAX SAVINGS</b>	
ASSUMING 35% TAX BRACKET	\$975,000

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.*