

## 2009

*The American Recovery and Reinvestment Act of 2009 provides business owners additional tax deduction and depreciation opportunities through December 31, 2009.*

**Improve Your  
Manufacturing  
Capabilities and  
Help Fuel the  
U.S. Economy**



### New Tax Benefits and What They Mean to Your Business

- The Tax Code Section 179 deduction for qualified equipment has been increased to \$250,000. Equipment must be placed in service by December 31, 2009, but the deduction may apply to equipment ordered in 2008.
- A Section 179 deduction is applicable to equipment acquisitions up to \$800,000 and is reduced dollar-for-dollar for equipment acquisitions in excess of \$800,000. Equipment acquisitions totaling \$1,050,000 or more would result in no Section 179 deduction.
- A 50% bonus depreciation deduction is included in the Act plus the normal accelerated depreciation on the balance of the cost applies to qualified new equipment acquired and placed in service during 2009.

**Even if your business is unable to use the depreciation deduction offered by the Act, we have other financing products that can help you acquire the equipment you need.**

- U.S. Bank Equipment Finance may receive tax benefits from the Act. As a result your business could potentially benefit from lower monthly payments.
- In addition, your business may be able to expense 100% of the monthly payments from its pre-tax income.

**Consider the following finance lease example that illustrates potential tax benefits for your business:**

Cost of equipment	\$300,000
1st year write-offs	
• Section 179	\$ 250,000
• Bonus depreciation <sup>1</sup>	\$ 25,000
• Normal 1st year depreciation <sup>2</sup>	\$ 3,572
Total deduction in 1st year	\$278,572
Marginal tax rate assumed 35% <sup>3</sup>	\$97,500
Bottom line equipment cost after tax savings	\$202,500

**In this example your tax savings equates to an increased cash flow in the amount of \$97,500.**

<sup>1</sup>50% Bonus depreciation after Section 179 deduction. [ $\$300,000 - \$250,000$  (Section 179 write-off)] x 50% Bonus Depreciation Deduction.

<sup>2</sup>14.29% Depreciation based on a seven-year asset life [ $\$300,000 - \$250,000$  (Section 179 write-off) - \$25,000 (bonus depreciation)] x 14.29% yearly depreciation.

<sup>3</sup>Tax savings are assuming a 35% tax bracket.

**Please contact us to find out how our financing products can help you acquire new equipment:**

**Joel Mikolich**

Relationship Manager  
866-586-9444 toll-free  
763-201-1133 fax  
joel.mikolich@usbank.com



[usbank.com/leasing](http://usbank.com/leasing)