Coastal Leasing, Inc.
The Very Lease You Need

Want To Lower The Cost Of Your Equipment Purchases?
Buy In 2012 - Here's Why!

Business Equipment

Business owners who acquire equipment (solutions) for their business: machinery, computers, software and other tangible goods, usually prefer to deduct the cost in a single tax year, rather than a little at a time over a number of years. This deduction is known as a Section 179 deduction. Unless Congress extends the 2011 enhancements available under the 'Jobs Act of 2010' & 'Tax Relief Act of 2010', businesses that spend $500,000 or less a year on qualified equipment, can write off up to $125,000 in 2012 under the Section 179 Deduction! The rules are designed for small and mid sized companies, so the $125,000 deduction is reduced dollar-for-dollar for qualified expenditures over $500,000. The dollar amounts will be indexed for inflation.(companies cannot write off more than their taxable income). Note: the additional Section 179 expensing for qualified real property expenditures was not extended for 2012. In addition, one may depreciate any excess on the depreciation schedule (50% bonus regarding new equipment only and the normal depreciation allowances) for that asset. Also, in 2012, qualified leasehold improvements do qualify for 50% bonus depreciation!

Benefits of a Non-Tax/Capital Lease

The benefit of a Non-Tax/Capital Lease is that it can take advantage of Section 179 expense up to $125,000 and the 50% bonus depreciation, if the equipment is put in use in 2012. Examples of Non-Tax/Capital Leases include a $1.00 Buyout Lease, an Equipment Finance Agreement (EFA), and a 10% Purchase Upon Termination (PUT) Lease. Utilize the Tax Savings Calculator below to obtain the tax savings based upon the total of anticipated annual equipment purchases.purchase.

Tax Savings Calculator - For Calculation Insert Equipment Cost In Yellow Filled Area

Accumulated Equipment Purchases(Insert cost):	**$**	**150,000.00**
Equipment Depreciation Term (See drop down):		**5**
Equipment Condition (New or Used):		**New**
Section 179 Deduction:	**$**	**125,000.00**
50% Bonus Depreciation:	**$**	**12,500.00**
Regular First Year Depreciation Deduction:	**$**	**2,500.00**
(3yr.@ 33.33%; 5yr.@20%; 7yr.@14.29%		
Total First Year Deduction:	**$**	**140,000.00**
Entity Marginal Tax Bracket (See drop down):		**35%**
Cash Savings On Equipment Purchase:	**$**	**49,000.00**
Net Cost of Equipment after Tax Savings:	**$**	**101,000.00**

Tax Code Section 179 & Election to Expense Detail

The election, which is made on Form 4562, is for the tax year the property was placed in service or an amended return filed within the time prescribed by law. The total cost of property that may be expensed for any tax year cannot exceed the total amount of taxable income during the tax year. Section 179 property is property that you acquire by purchase for use in the active conduct of your business. To ensure property qualifies, reference Publication 946.

This expense deduction is provided for taxpayers (other than estates, trusts or certain non-corporate lessors) who elect to treat the cost of qualifying property as an expense rather than a capital expenditure. Under Section 179, equipment purchases, up to the amount approved for a given year, can be expensed (deducted from taxable income) if INSTALLED BY DECEMBER 31, 2012 Non-Tax leases qualify for this deduction in their year of inception. Any excess above the expensed amount can be depreciated depending on the equipment type. ACT NOW as the 50% bonus depreciation is only good through the end of 2012. Unless Congress extends this, the Section 179 deduction is estimated go back to $25,000 with a phasing out starting at $200,000 in 2013! Thus, the §179 deduction will phase out completely when the cost of the property exceeds $225,000 ($200,000 (phase-out amount) + $25,000 (dollar limitation)). Not all states follow federal law. Contact your tax advisor for further detail or visit www.irs.gov for specific detail.

5310 N.W. 33rd Ave., Suite 114, Fort Lauderdale, FL 33309
Phone: (954) 486-4343   NAT'L: (800) 346-9349   FAX: (954) 486-4347
Website: www.coastalleasing.com   E-mail: sales@coastalleasing.com
Los Angeles   •   New York   •   Miami