



# Section 179 Savings for 2008 Includes Bonus 50% Depreciation!



CHASE INDUSTRIES, INC.

The Section 179 benefit has been ***extended and increased to \$250,000*** and will remain in effect through 2008. The law, passed in 2008, also created a ***bonus depreciation of 50%*** for qualifying assets. This bonus is in addition to the regular first year depreciation. *Here is an example:*

## Equipment Cost Example: \$300,000

<b>1st Year Write Off:</b> ( $\$250,000$ is the maximum section 179 write-off in 2008)	<b>\$250,000</b>
<b>50% Bonus Depreciation*</b> ( $\$300,000 - \$250,000 = \$50,000 \times 50\% = \$25,000$ )	<b>\$ 25,000</b>
<b>Normal 1st Year Depreciation:</b> (Depreciation calculated at 5 years = 20%; $\$25,000 \times 20\% = \$5,000$ )	<b>\$ 5,000</b>
<b>Total 1st Year Deduction:</b> ( $\$250,000 + \$25,000 + \$5,000 = \$280,000$ )	<b>\$280,000</b>
<b>Tax Savings Assuming Rate of 35%:</b> ( $\$280,000 \times .35 = \$98,000$ )	<b>\$ 98,000</b>
<b>1st Year Net Cost after Tax Savings:</b> ( $\$300,000 - \$98,000 = \$202,000$ )	<b>\$202,000</b>

\*Bonus Depreciation of 50% is for qualifying assets. Please consult your accountant for details.

This is ***GREAT NEWS*** for our customers. Businesses should carefully consider upcoming equipment needs and begin to plan for purchases before the end of 2008. By taking advantage of Chase Industries' financing programs, *up to date equipment and tax advantages* can be obtained with *little effect on cash flow*.