

Section 179 Deduction

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Section 179 Deduction	250,000	125,000	108,000
Maximum Equipment Purchase	800,000	500,000	430,000

About Section 179 Deduction

Generally, assets purchased for use in your trade or business are required to be capitalized and expensed over a period of time using a variety of depreciation and amortization methods. An important exception to the general rule exists for those assets that qualify for the Section 179 deduction. The Section 179 deduction provides that you may deduct entirely in the current year, certain purchases of machinery, equipment and other qualifying assets. This means that you can reduce your taxable income derived by your trade or business, dollar for dollar for these purchases.(subject to certain limitations)