



Current Available Tax Benefits, Relating to Purchase of Capital Equipment**

Under the newly enacted Tax Cuts and Jobs Act a 100% first-year deduction "100% Expensing" is allowed for qualified property acquired and placed in service after September 27, 2017. The deduction is allowed for new and used property. The "100% Expensing" is effective for qualified purchases placed in service through calendar year 2022 and will begin to be phased down beginning in calendar year 2023. It is scheduled to expire after calendar year 2026. The 100% depreciation deduction should not be confused with expensing under Code Section 179. For property placed in service beginning after December 31, 2017, the maximum amount of expense allowable under Section 179 is \$1 million. The so-called "Trigger Point" – at which the Section 179 begins to disappear, dollar-for-dollar, begins at \$2.5 million and is fully exhausted, when capital purchases reach \$3.5 million.

If you would like more details, please contact Turf Equipment and Supply Company at 800.827.3711

****Please consult with your tax advisor for actual deductions for your business. The examples provided are for discussion purposes only.**

See reverse side for an application example.

Example # 1 - \$250,000 acquisition of new, qualifying capital equipment (turf or irrigation equipment) installed during calendar year 2018

Action	Deduction
Immediate expensing under "Bonus Depreciation"	\$250,000
Total first year tax deduction (100% of acquisition cost)	\$250,000
Potential tax savings (assuming 21% marginal corporate tax rate****) – May have income limits – consult your tax preparer for details	\$52,500

Example # 2 - \$750,000 of new, qualifying equipment installed during calendar year 2018

Action	Deduction
Application of 100% "Bonus Depreciation"	\$750,000
Total deductions for 2018	\$750,000
Potential tax savings (assuming 21% marginal corporate tax rate)	\$157,500

****Please consult your tax advisor for actual deductions for your business**
- the above examples are for illustrative purposes, based on available published information