TAX CODE 179
Made Simple

So you've you heard of Tax Code 179 . . . but how do you really use it?

Businesses want to REDUCE INCOME TAXES

- To reduce taxes businesses either reduce revenues or increase expenses
- It is unlikely that businesses want to reduce revenues… So increasing expenses is the logical option
- BUT, how does a business increase expenses but not use any of their cash?
- **Depreciation** is how….Tax Code 179 is just using depreciation more effectively
- Tax Code 179 allows a business to fully depreciate (i.e. expense) the cost of the equipment/software in the year they purchase it
- Depreciation is the expense a business takes for purchasing and using equipment/software
- Depreciation is one of those rare expenses that **DOES NOT require a business to use money** from their bank account
- Normal expenses like payroll, insurance and rent are paid with actual cash out of the business' bank account

Tax Code 179 REDUCES the effective COST of the Equipment/Software (an example)

- Equipment/Software Quote = $25,000
- Practice's Estimated Tax Rate= 21%
- $25,000 * 21% = $5,250 in 2026 income tax savings
- Therefore, a **$25,000 piece of equipment less the tax savings of $5,250** equals **net project cost of $19,750. You have just shown the practice how to save $$.**

Owners can EARN MORE CASH in 2026

- Your customer purchases from you in 2026
- Your customer finances the equipment/software through GSG
- GSG requires **NO $$ down** and **defers the start of the business' payments until late 2026 or early 2027**
- Taking the Tax Code 179 Tax Deduction Now with No Money out of pocket for the purchase of the equipment/software in 2026 *means*….
- Owners can take the **extra $5,250 in cash** (*tax savings from example above*) out of the business in form of extra bonuses or pay. **They make more MONEY**.

Use It or Lose It

- Tax Code 179 is available to businesses every year, however, **it *does not* rollover**
- 2026 Tax Code 179 Limit: $2560,000
- 2027 Tax Code 179 Limit: not determined

***Any financing structure would be subject to credit approval**

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