

2023 Tax Incentives for NEW, USED, & LEASED Capital Equipment

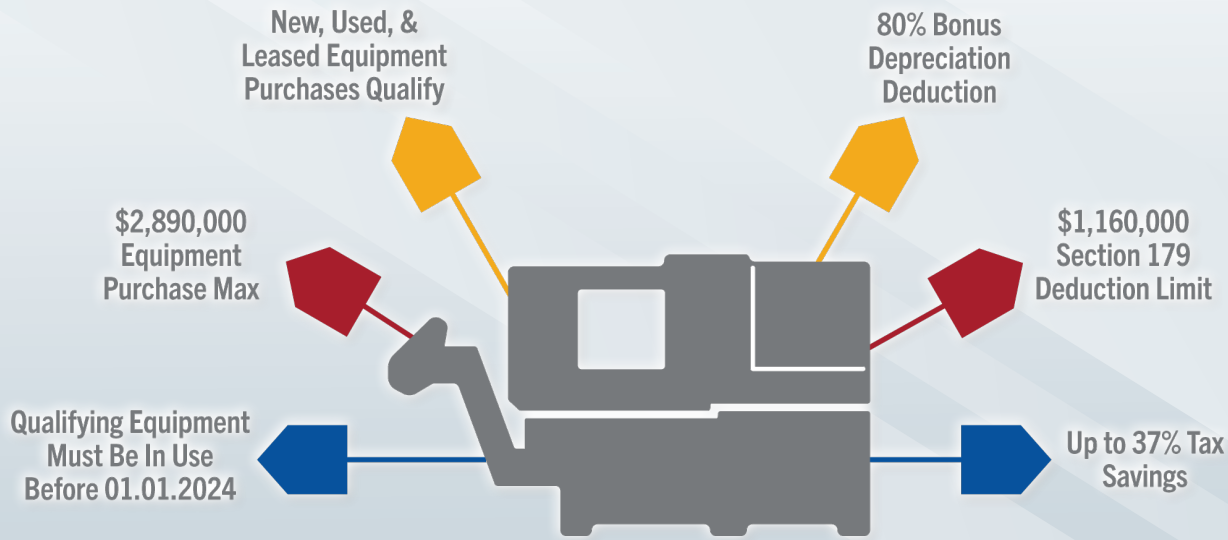
This year, Section 179 of the IRS tax code allows businesses to deduct the up to \$1.16 million of qualifying equipment purchased and placed into service during the tax year. Expensing the full amount of the purchase, as opposed to deducting depreciation over multiple years, can greatly reduce taxes owed. In addition, Bonus Depreciation [Section 168(k)] allows taxpayers additional benefits if the Section 179 purchase allowance of \$1.16 million is exceeded. These incentives can help your bottom line and are easy to take advantage of, as long as equipment is purchased and placed into service by the end of the year. With 150+ machines in stock and ready for immediate delivery, Absolute Machine Tools can help you take full advantage of this offer!

Flow-Through Company

(Sole Proprietors, Partnerships, or S-Corporations Taxed at 32%)

\$1,160,000 Write-Off Companies can deduct equipment purchases from their taxable income. For 2023, the annual deduction limit is \$1,160,000 for companies purchasing or leasing up to \$2,890,000 of equipment. This deduction phases out dollar for dollar from \$2,890,000 to \$4,050,000 and is not available for companies purchasing over \$4,050,000 in equipment. Bonus depreciation is taken after the Section 179 deduction limit has been reached. *Schedule: 80% 2023; 60% 2024; 40% 2025; 20% 2026*

Equipment Cost	Section 179 Deduct	Bonus Depreciation	First Year Deduction	Total Tax Benefit*
\$1,250,000	\$1,160,000	\$72,000	\$1,232,000	\$394,240



C-Corporation (Taxed at 21%)

\$1,160,000 Write-Off Companies can deduct equipment purchases from their taxable income. For 2023, the annual limit has increased to \$1,160,000. Companies purchasing or leasing up to \$2,890,000 of equipment qualify for the deduction each year. Bonus Depreciation allows businesses to immediately deduct 80% of the cost of eligible property in the year it is placed in service. Bonus Depreciation is available for use on both new and used equipment purchase.

Equipment Cost	Section 179 Deduct	Bonus Depreciation	First Year Deduction	Total Tax Benefit*
\$1,500,000	\$1,160,000	\$272,000	\$1,432,000	\$300,720



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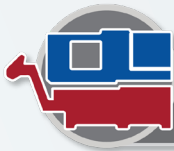
* All subject to IRS limitations. Consult your tax advisor to determine the availability of these potential benefits in your particular tax situation. To ensure compliance with requirements imposed by the IRS, we inform you that, unless expressly stated otherwise, any U.S. Federal tax advice contained in this communication (including any appendages hereto) is not intended or written to be used, and cannot be used, for the purpose of: (i) avoiding penalties under the Internal Revenue Code, or (ii) promoting, marketing or recommending to another party any transaction or matter addressed therein.

Section 179 Deduction **FAST FACTS**



Section 179 is a U.S. tax code created to help businesses.

By allowing businesses to deduct 80% of the purchase price of equipment, (the deduction is at a robust \$1,160,000, and will stay there for the remainder of 2023), Section 179 is a fantastic incentive for businesses to purchase, finance, or lease equipment.



Section 179 is valid for most types of equipment purchases.

Our wide range of equipment qualifies for the deduction incentive, but the machines must be purchased and put into service by December 31, 2023.



Section 179 can greatly help your bottom line.

By deducting the full cost of the machinery, you lower the amount you pay for equipment substantially.



Section 179 is easy to use.

All you need to do to use this deduction is buy, finance, or lease new or used equipment, and fill out a special IRS form.



Section 179 must be used by the end of the year.

To qualify for the Section 179 deduction, equipment must be purchased, leased, or financed, and placed into service by midnight on December 31st, 2023.



Section 179 can change from year to year.

For the past several years, Congress has raised the deduction limit, let higher limits expire, then raised them again. The various tax and stimulus acts have also affected Section 179 over the years.



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* All subject to IRS limitations. Consult your tax advisor to determine the availability of these potential benefits in your particular tax situation. To ensure compliance with requirements imposed by the IRS, we inform you that, unless expressly stated otherwise, any U.S. Federal tax advice contained in this communication (including any appendages hereto) is not intended or written to be used, and cannot be used, for the purpose of: (i) avoiding penalties under the Internal Revenue Code, or (ii) promoting, marketing or recommending to another party any transaction or matter addressed therein.