

2021 TAX INCENTIVES

Great news for 2021! Thanks to an increase in the Section 179 deduction limit, you are able to reduce your taxable income even more in 2021!

Section 179 tax deduction limit *increased to*

↑ \$1,050,000

Spending cap *increased to*

↑ \$2,620,000

(Section 179 deduction decreases dollar for dollar on purchase over this cap)

**BONUS
Depreciation**

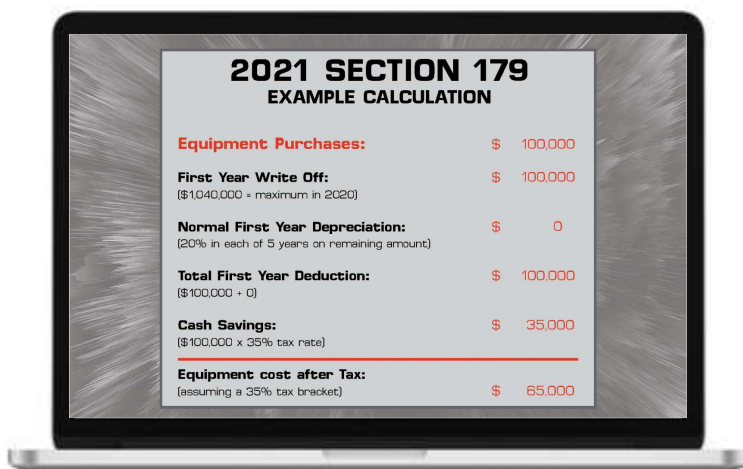
(After the Section 179
spending cap is reached)

100%

Qualifying equipment must be purchased
or financed and put into service by

DEC. 31, 2021

TAKE ACTION TODAY!



2021 SECTION 179 EXAMPLE CALCULATION	
Equipment Purchases:	\$ 100,000
First Year Write Off: ((\$1,040,000 + maximum in 2020))	\$ 100,000
Normal First Year Depreciation: (20% in each of 5 years on remaining amount)	\$ 0
Total First Year Deduction: ((\$100,000 + 0))	\$ 100,000
Cash Savings: ((\$100,000 x 35% tax rate))	\$ 35,000
Equipment cost after Tax: (assuming a 35% tax bracket)	\$ 65,000

Use Your Section 179 Tax Discounts

Reduce your taxable income even more in 2021, thanks to an increase in the deduction limit under Section 179 of the Internal Revenue Code. Now you may be able to deduct from your 2021 taxable income the full cost of qualifying new and used equipment purchased and placed into service in 2021, up to \$1,050,000. The deduction is reduced "dollar-for-dollar" to the extent that qualifying new and used equipment of \$2,620,000 or more is purchased and placed into service, and is completely phased out if \$3,670,000 or more is purchased and placed into service.

DON'T FORGET: To the extent you do not take a Section 179 deduction, 100% bonus depreciation is generally available in 2021 for qualifying new and used equipment purchased and placed into service in 2021.

GT Mid Atlantic does not provide tax, legal or accounting advice. All customers are encouraged to seek their own professional advice on the proper treatment of these transactions. For more details and information about Section 179, please visit section179.org.



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