



Section 179 for 2008

In 2008, Section 179 allowable write-offs are more attractive and can lead to substantial tax savings. You should consider your options for taking advantage of these potential tax savings in your business brokerage practice. And, share with the buyers and sellers you work with; without giving tax or accounting advice of course.

The basics of Section 179 for 2008

When buying new equipment, including machinery, computers and other tangible goods, it is usually preferable to deduct the entire cost this tax year (2008), rather than a little at a time over a number of years. Section 179 allows a business owner to deduct, from your taxable income, the full amount of equipment purchases up to the approved limit for a given year (almost doubled to \$250,000 for 2008). In addition, depending on the type equipment and business, the excess equipment cost above the amount expensed under Section 179 can be depreciated. In addition, 2008 has brought substantial changes – you can now depreciate a full 50% for the first year.