

## Create Your Own Tax Break for 2018 and Beyond

The Tax Cuts and Jobs Act of 2017 provides businesses with additional tax benefits for 2018 and beyond.

- Under Section 179, businesses spending less than \$2,500,000 a year on qualified equipment may write off up to \$1,000,000 up front.
- 100% Bonus Depreciation on qualified equipment acquired and placed in service from September 27, 2017 through December 31, 2022. It falls to 80% in 2023, 60% in 2024, 40% in 2025, 20% in 2026, and expires in 2027.
- The \$1,000,000 deduction from Section 179 phases out when a business purchases more than \$2,500,000 in one year.
- Companies cannot write off more than their taxable income.

Cost of equipment	\$1,500,000.00
1 <sup>st</sup> year write-offs	
• Section 179	\$1,000,000.00
• 100% Bonus Depreciation	\$500,000.00
Total deduction in 1 <sup>st</sup> year	\$1,500,000.00
Marginal tax rate assumed 21% <sup>1</sup>	\$315,000.00
Bottom line equipment cost after tax savings	\$1,185,000.00

In this example, your after tax savings equate to an increased cash flow in the amount of \$315,000.00.

1) Tax savings are assuming a 21% tax bracket.

### What does this mean for businesses?

- Our capital leases help businesses take advantage of the tax benefits (above) by extending payments out as long as 5 years.
- Tax Savings could be greater than the amount paid in the first year of a capital lease.

### About Us

American Packaging Capital, Inc. is the largest equipment finance company in America focused solely on the packaging and processing equipment industries. To learn more about us, visit our website at [www.myampac.com](http://www.myampac.com).

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