

Write Off (This Year) Your Battery Extractor System

As you may be aware, Congress recently passed the Protecting Americans from Tax Hikes Act (PATH Act). This law includes several tax breaks, including permanently extending **Section 179 expensing** and extending **bonus depreciation**.

Section 179 allows a taxpayer to expense the cost of qualified equipment purchased for use in an active business. The maximum deduction for property placed in service is \$500,000, reduced on a dollar for dollar basis for the amount exceeding \$2,000,000. The Section 179 expensing limits have been permanently extended.

Bonus depreciation allows businesses to **deduct 50%** of the cost of **new** equipment purchased and installed in 2016.

What does this mean for your business?

If your businesses total annual spend on equipment and other capitalized assets is less than \$2,000,000, the purchase of a Battery Extractor System with a total cost of \$500,000 or less may be **fully expensed** for tax purposes in 2016.

If your total spend on capitalized assets is more than \$2,000,000 you can take advantage of **bonus depreciation** to expense half of your purchase, plus **standard depreciation** on the other half.

Two scenarios:

A Battery Extractor System is purchased with a total cost of \$500,000.

1. Total annual spend on equipment is less than \$2,000,000.

Section 179 allows a full deduction of \$500,000 of your Battery Extractor System. **100% of the cost!**

2. Total annual spend on equipment is greater than \$2,000,000.

Bonus depreciation: \$250,000
Standard depreciation: \$35,714
Total depreciation expense: \$285,714
Nearly 60% of the cost!



This information and examples are for illustration purposes only. Please consult your tax advisor for advise on your specific situation.



Purchased & Installed by 12/31/2016

Contact BHS at 1.800.BHS.9500 for a dealer near you.

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