



“Your Equipment Financing Solution”

TAX INCENTIVE FOR NEW EQUIPMENT ORDERS FOR 2010

Let MFR Show You How Investing in Equipment NOW Can Payoff in BIG TAX SAVINGS!

\$134,000 WRITE-OFF

Section 179 Federal Income Tax Deduction: This deduction allows a small manufacturing company to deduct the first \$134,000 of equipment purchased in 2010 from their taxable Income. For companies purchasing (or leasing-with a \$1.00 purchase option lease) up to \$530,000 of equipment in 2010 this deduction is available in full. It then phases out between \$530,000 and \$664,000 and is not available for companies purchasing over \$664,000 of equipment in 2010. However, companies can finance purchases over \$664,000 with an operating lease and may still be able to claim this deduction. In 2011, the Section 179 deduction will decrease to \$25,000 with an investment ceiling of \$200,000.

EXAMPLE: \$175,000 MACHINE

Section 179 Deduction	\$134,000.00
Standard Depreciation (14.29% Yr. 1) (\$175,000 - \$134,000) x 14.29%	\$5,858.90
Total First Year Depreciation =	\$139,858.90
TOTAL TAX BENEFIT = (\$139,858.90 x 35%) (35% Federal Tax Bracket assumed)	\$48,950.62

A Manufacturing company acquires a new machine for \$175,000 and is eligible for the \$134,000 Federal Section 179 write off plus depreciation. Under this act, the company may write off \$138,858.90 the first year.

Companies may also be eligible for additional state and local tax deductions plus interest deductions. Standard depreciation may vary depending on time of year. These calculations are estimates only & everyone's tax situation is different.

Companies should always talk to their accountant to confirm eligibility for Tax Benefits.

STANDARD DEPRECIATION

Additionally, companies can take their standard depreciation deductions on the adjusted basis for qualified property. Machine Tools & fabricating equipment are typically depreciated over 7 years.

MFR offers a Fast Track Finance Program that can provide Credit Application approvals up to \$350,000.00. To learn more or for financing options please contact:

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