

# THE SECTION 179 DEDUCTION

If you are considering a purchase or a \$1 buyout lease on any Ricoh products in 2016, this tax deduction could help!



## The \$500,000 Cap is Back for 2016

The Section 179 IRS Tax deduction could help you purchase or lease (\$1 Buyout) Ricoh products this year.

When a small business buys certain types of business equipment or software, they may be able to write it off via depreciation expense.

Please be sure to reach out to your tax accountant to see if you qualify - we don't offer tax or legal advice.

### Highlights

- May allow a business to deduct the purchase price on hardware or software (up to \$500K) – 2016. This is a substantial increase over last year's deduction.
- This may include both new and used equipment.
- May be eligible to deduct up to the full purchase price from your gross income.
- \$1 Buyout Leases may apply
  - FMV Leases do not qualify
- Equipment/Software must be financed and in place by midnight 12/31/2016

Visit [www.section179.org](http://www.section179.org) for more information.

### THE PROCESS OF SECTION 179

**1.** Determine if your equipment qualifies. You can visit the IRS's web site or contact your tax preparer for help.

**2.** Make sure that your asset is placed in service. The election must be made in the same tax year.

**3.** You must elect the deduction. It goes by an item-to-item basis. You make the election by taking your deduction on Form 4562.

**4.** Make the election when you file your original income tax return. You can't later amend your return to elect Section 179 unless you amend your return before the due date.

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SALES INC.