



# TAX ADVANTAGES IRS SECTION 179 AND BONUS DEPRECIATION

The deduction limits have changed for all 2018 qualifying equipment!

The deduction limit for Section 179 is **\$1,000,000**.

- This means that if your customers buy (or finance) a piece of equipment, they can deduct the Full Purchase Price (up to \$1,000,000) from their gross income.

The 2018 Section 179 deduction threshold for total amount of equipment that can be purchased is **\$2,500,000**.

- This means that customers can purchase more equipment and still have the benefit of the Section 179 deduction.

## BONUS DEPRECIATION:

**100% for 2018 New and Used Equipment Allowed**

- Under Modified Accelerated Cost Recovery System (MACRS) Bonus Depreciation has increased first-year depreciation deduction to 100% (vs. 50%) of the adjusted gross basis of qualified property. This goes into effect for assets placed in service after September 27, 2017 and before January 1, 2023. Another significant change under the new tax law is the ability to use use bonus depreciation for purchases of new or used property. Under prior law, you could only use bonus depreciation for new property.

For more information, please call:

\*Credit & equipment restrictions apply.

This program does not assume your company will qualify to take advantage of the IRS Section #179 depreciation schedule which allows rapid first year depreciation of certain assets acquired. The amount of previous depreciation your company may have used may affect your ability to utilize the elections. Please consult your tax advisor or accountant for additional information. Equipment must be purchased and placed in service by 1/1/2023.

Marlin Business Services Corp.® is a publicly traded bank holding company (NASDAQ: MRLN) that provides nationwide commercial financing. Marlin specializes in providing innovative equipment financial solutions and working capital loans for small businesses. Since 1997, Marlin has extended \$5 billion in financing to over 300,000 business clients. Marlin's value proposition is centered around providing excellent service and delivering on commitments made to equipment dealers, manufacturers, resellers, distributors, brokers and their customers.



**EXAMPLE:** Enter Cost of Equipment Below

**Equipment Cost:**

**First Year Write-Off:**

*\$1,000,000 is the max. Section 179 write-off*

**100% Bonus Depreciation:**

*On any remaining value above \$1,000,000*

**MACRS 1<sup>st</sup> Yr. Depreciation:**

*Depreciation 20% year 1 (assuming 5 year property HY convention)*

**Total 1<sup>st</sup> Yr. Depreciation:**

**Tax Savings**

**Assuming Rate of 35%:**

*Equipment Cost x 35%*

**1<sup>st</sup> Yr. Net Cost**

**After Tax Savings:**

*Equipment Cost - Tax Savings*