

Grow Your Business with Section 179 Tax Deduction for Technology Investment



All of us are related. Yep, through our good old Uncle Sam. However, some business owners are not aware of a tax law that benefits everyone in the family. I'm talking about the [Section 179 tax deduction](#), a law that can help small to midsize businesses grow.

As allowed by Section 179, when you purchase tangible goods, including technology, you can write off the full value of the investment while gaining the immediate benefits of your purchase. Investing in the right technology adds up to a competitive edge.

How it Works

In brief, here is how it works. Purchase or lease the equipment and technology that you need. Be sure to put the items into use by December 31, 2017. At tax time, elect the Section 179 tax deduction for up to \$510,000 of the items purchased. This means that you deduct the full value of the items in the first year, instead of spreading depreciation out over the life of the items.

For new items over and above the deduction limit, you can apply the bonus 50% depreciation. After taking the Section 179 tax deduction and the bonus depreciation, apply normal depreciation. Re-invest the tax savings and watch your business grow!

Your Section 179 Tax Deduction Shopping List

Most tangible goods qualify for Section 179 deductions. This includes off the shelf software and most technology investments. With just a few weeks left in 2017, this is the perfect time to upgrade your out-of-date technology.

Here are just a few items that might round out your year-end technology investment list:

- **Updated Network Switch** – With ever-increasing demands on your wired or wireless network, chances are that your network switch needs an update. Increased bandwidth won't do it alone. Newer models offer more security options and better management capabilities to cover your mobile, IoT and [cloud storage and applications](#).
- **Wireless 802.11ac Adapter with Four Antennas** – Upgrade your wireless network to 802.11ac. Improve your [guest Wi-Fi](#) and experience massive improvements in coverage and data transmission speeds. Add wireless access points to increase coverage further.
- **Laptop/Computer with SSD Drive** – Solid state drives (SSD) have no moving parts, so they are more reliable and offer better performance. With speeds up to 100 times faster than standard hard drives, you will see significant improvement. The HP Spectre x360 is a great ultraportable laptop for the professional on the go.
- **Updated Software** – You have been waiting to upgrade to Office 365 or Microsoft Dynamics. Why not do it now? Pick up QuickBooks 2018, as well.
- **Printer with an on-ramp to the cloud** – Print checks or even 3D models or parts from anywhere in the world with a cloud-connected printer or 3D printer. You no longer must be in the office to get the job started.
- **New Graphics Card** – If eye fatigue is an issue. It may be your graphics card that's causing the problem. This is a small investment that can make your life better.



Picture the Benefits

Section 179 is designed specifically to boost small businesses with an annual net business income of up to \$2,000,000. Combined with bonus depreciation, the deduction can result in substantial savings.

For example, if Company A invests \$1,000,000 in new equipment in 2017, the tax benefit of this investment could look something like the following:

Maximum Section 179 Deduction	\$510,000
50% Bonus Depreciation on Remaining \$490K	\$245,000
Total Section 179 Deduction + Bonus Depreciation	\$755,000
Cash Savings (at 35% tax bracket)	\$264,250

Increase the cash savings further by applying current year depreciation to the remaining \$245,000. In addition, the Section 179 deduction applies whether you purchase outright or lease the item. With the right lease option, your total deduction may be more than the amount you spend up front for equipment or technology.

NOTE: If your business operates in an Enterprise or Renewal Zone (typically an urban area that needs revitalization or a rural area that needs an employment boost), you qualify for a larger deduction. Likewise, businesses in areas affected by hurricanes Katrina, Wilma or Rita also qualify for an increased deduction.

Consult your tax advisor for additional guidelines.



Purchase Now and Plan for 2018

Making the right investment in technology requires planning. An [expert Section 179 technology consultant](#) can help you with your immediate needs. Then, they'll provide expert assistance to prepare a roadmap for your 2018 technology investments. Hence, you make the most of your Section 179 deductions for 2017 AND 2018.

Every business owner wants a competitive edge. The considerable tax benefits of Section 179 allow you to grow your business faster as you invest the tax savings in revenue-generating technology. Be sure to take advantage of this terrific tax break from Uncle Sam.

Schedule an [expert technology assessment](#) today, as you prepare to implement improvements such as, network upgrades with [advanced security technology](#), or a secure, [mobile point-of-sale](#) system.



2015 | 2013 | 2012 Microsoft
Partner of the Year



Inc. 500 || **5000**
2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010



ShoreTel Sky
Partner of the Year