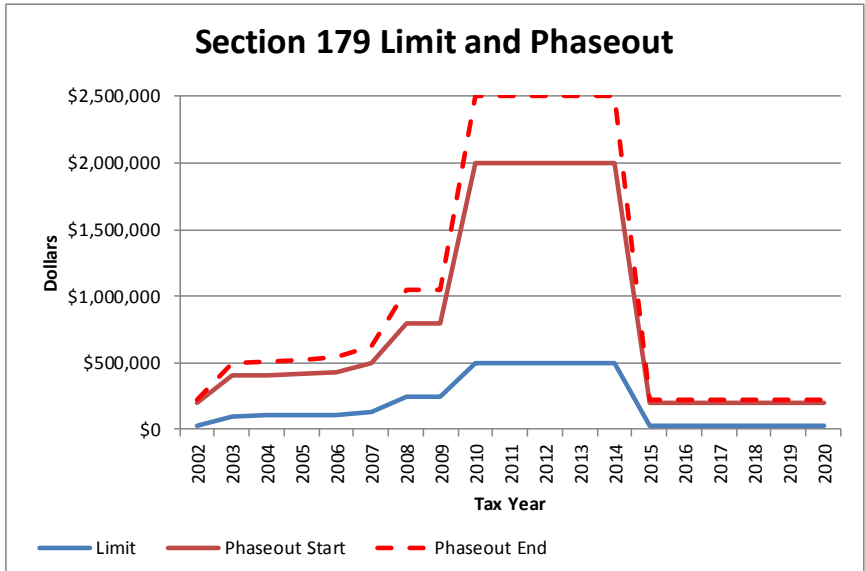


SB 438: Section 179 Expensing

Freeze connection to IRC § 179 as per tax year 2013

Tax Year	Limit	Phaseout Start
2002	\$24,000	\$200,000
2003	\$100,000	\$400,000
2004	\$102,000	\$410,000
2005	\$105,000	\$420,000
2006	\$108,000	\$430,000
2007	\$125,000	\$500,000
2008	\$250,000	\$800,000
2009	\$250,000	\$800,000
2010	\$500,000	\$2,000,000
2011	\$500,000	\$2,000,000
2012	\$500,000	\$2,000,000
2013	\$500,000	\$2,000,000
2014	\$500,000	\$2,000,000
2015	\$25,000	\$200,000
2016	\$25,000	\$200,000
2017	\$25,000	\$200,000
2018	\$25,000	\$200,000
2019	\$25,000	\$200,000
2020	\$25,000	\$200,000



Example

	Tax Year						
	2016	2017	2018	2019	2020	2021	Total
Depreciation*	20.00%	32.00%	19.20%	11.52%	11.52%	5.76%	100%
Equipment Cost	\$600,000						
2016 C.L. (\$25,000)							
179 Expensing	\$25,000	\$0	\$0	\$0	\$0	\$0	
Depreciation	\$115,000	\$184,000	\$110,400	\$66,240	\$66,240	\$33,120	\$600,000
SB 438 (\$500,000)							
179 Expensing	\$500,000	\$0	\$0	\$0	\$0	\$0	
Depreciation	\$20,000	\$32,000	\$19,200	\$11,520	\$11,520	\$5,760	\$600,000
Deduction Difference	\$380,000	-\$152,000	-\$91,200	-\$54,720	-\$54,720	-\$27,360	\$0
Tax Impact	-\$34,200	\$13,680	\$8,208	\$4,925	\$4,925	\$2,462	\$0

* Does not include Bonus Depreciation.