

# SECTION 179 TAX DEDUCTION

## KEEP YOUR MONEY!

IF YOU MADE A PROFIT IN 2022, YOU CAN REDUCE YOUR TAX LIABILITY BY UP TO **\$1,800,000** BY PURCHASING FORD VEHICLES AND TAKING ADVANTAGE OF THE IRS SECTION 179 TAX DEDUCTION.



**DEDUCTION  
LIMIT = \$1,080,000**

This deduction is good on new and used Ford vehicles. To take the deduction for tax year 2022, the equipment must be financed or purchased and put into service between January 1, 2022 and the end of the day on December 31, 2021.



**SPENDING CAP ON EQUIPMENT  
PURCHASES = \$2,700,000**

This is the maximum amount that can be spent on equipment before the Section 179 Deduction available to your company begins to be reduced on a dollar for dollar basis. This spending cap makes Section 179 a true "small business tax incentive."



**BONUS  
DEPRECIATION = 100%**

Bonus Depreciation is generally taken after the Section 179 Spending Cap is reached. Note: Bonus Depreciation is available for new equipment only.

## 2022 Section 179

*(Example Calculation)*

Equipment  
Purchases  
**\$1,150,000**

<b>First Year Write Off</b> .....	<b>\$1,800,000</b>
<i>(\$1,800,000 = Maximum in 2022)</i>	
<b>100% Bonus First Year Depreciation</b> .....	<b>\$70,000</b>
<i>(Updated to 100% via Tax Cuts and Jobs Act)</i>	
<b>Normal First Year Depreciation</b> .....	<b>\$0</b>
<i>(20% in each of 5yrs on remaining amount)</i>	
<b>Total First Year Deduction</b> .....	<b>\$1,150,000</b>
<i>(\$1,050,000 + \$100,000 + \$0)</i>	
<b>Cash Savings</b> .....	<b>\$402,500</b>
<i>(\$1,150,000 x 35% tax rate)</i>	
<b>Equipment Cost after Tax</b> .....	<b>\$747,500</b>
<i>(assuming a 35% tax rate)</i>	

*The above is an overall, "Simplified" view of the Section 179 Deduction for 2022. For more details on limits and qualifying equipment, as well as Section 179 Qualified Financing, please visit [www.section179.org](http://www.section179.org) or talk to your tax advisor.*

### Orange County

6211 Beach Blvd.  
Buena Park, CA 90621  
**(714) 521-3110**

### San Diego

5555 Paseo Del Norte  
Carlsbad, CA 92008  
**(760) 438-9171**

### Inland Empire

1121 W Colton Ave  
Redlands, CA 92374  
**(909) 793-3211**

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