

## Create Your Own Tax Break in 2018

The Tax Cuts and Jobs Act has increased the deduction limit for Section 179 to **\$1,000,000 for 2018 and beyond. The 100% bonus depreciation is made retroactive to September 27th, 2017 and good through December 31, 2022.**

- Under section 179, businesses spending less than \$2,500,000 a year on qualified equipment may write off up to \$1,000,000 up front.
- 100% Bonus Depreciation on qualified equipment acquired and placed in service from September 27, 2017 and December 31, 2022.
- The \$1,000,000 deduction phases out when a business purchases more than \$2,500,000 in one year.
- Companies cannot write off more than their taxable income.

Cost of equipment	\$600,000
1st year write-offs <sup>1</sup> Section 179	\$600,000
Total deduction in 1st year	\$600,000
Marginal tax rate assumed 35% <sup>2</sup>	\$210,000
Bottom line equipment cost after tax savings	\$390,000

In this example you tax savings equates to an increased cash flow in the amount of \$210,000.

1) For qualified equipment acquired and in place between September 27, 2017 and December 31, 2022.

2) Tax savings are assuming a 35% tax bracket.

## About IPS Packaging

Since its inception in 1976 Industrial Packaging Supplies has been serving the Southeast with complete packaging systems and supplies from leading manufacturers. In the past 30 years IPS's name has become synonymous with the entire industry, after all our name describes it best... Industrial Packaging Supplies.

**Contact your IPS sales representative today to take advantage of these special tax incentives in 2018.**



IPS Packaging is not offering legal, tax, accounting or financial advice. Customers are encouraged to consult with their tax and accounting advisors for a clear understanding of how these tax benefits and/or various equipment financing products could impact their specific business conditions. For complete details or changes to the tax incentives, please visit [www.irs.gov](http://www.irs.gov) or contact the IRS help line at: 800-829-4933.