

# Key Changes in the Tax Law for Small Business

The new Tax Cuts and Jobs Act affects virtually every business and individual and means opportunities to invest in security, infrastructure, and new technology.

## Most small businesses will get a **20% business income deduction**

- Limits apply based on income and type of business.

## **No more deduction** for expenses related to activities considered **entertainment, amusement, or recreation**

- 50% of meals are still deductible if not considered lavish.

## Equipment deduction goes to a million

- Amount businesses can deduct for equipment purchases doubles from \$500,000 to \$1 million.

## More businesses can use **cash method of accounting**

- Threshold jumps from \$5M to \$25M in gross receipts to use accounting method that's simpler and more straightforward.

## Computers no longer considered **"listed property"**

- IRS used to limit the amount of deductions and depreciation for computers if they were for business and personal use.

## **Employee moving expenses** now taxable

- Employers must include moving expense reimbursements in employees' wages.

## Extra tax cash this year?

Studies show money invested in technology leads to stronger business outcomes.

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