



# Section 179 Tax Deduction

**The new Section 179 deduction limit for 2014 is \$25,000.**

This tax deduction is available for most new and used capital equipment as well as certain software.

## ► *Medical Providers: Replace Outdated Equipment and Save Money at the Same Time!*

The new Section 179 deduction limit for 2014 is \$25,000 (plus an inflation adjustment) and purchasing limit is \$200,000.

**The special tax incentive is available for most new and used capital equipment including:**

- Computers
- Health equipment, machines or systems
- Mobile technology and devices
- Medical software
- Laboratory equipment
- Furniture for offices of facilities

To qualify, items must be used at least 51% of the time for business and be purchased or financed during the current tax year. Healthcare facilities, practices and providers (independent contractors or sole proprietors) can all claim Section 179 savings!

## ► *How the Program Works*

Section 179 of the IRS Tax Code allows businesses to deduct the **FULL PURCHASE PRICE** of qualifying equipment from their gross income upfront instead of spreading it out over the “useful life” of the item. This easy-to-use tax incentive helps businesses lower their operating costs while acquiring necessary equipment and software.

	<i>Example 1</i>	<i>Example 2</i>
<b><i>Cost of Equipment:</i></b>	\$50,000	\$25,000
Tax Savings* on Purchase with Section 179 Deduction: (Assuming 35% tax bracket: cost of equipment x 0.35)	\$17,500	\$8,750
<b><i>Net Cost of Equipment:</i></b>	\$32,500	\$16,250

\*Always contact your tax advisor to verify tax or accounting issues or visit [www.irs.gov](http://www.irs.gov) for specific details.

*For More Information:*  
**855-740-1130**  
[www.FreedomPACS.net](http://www.FreedomPACS.net)

