



## Expanded Tax Benefits Expiring December 31, 2011

The Small Business Jobs and Credit Act of 2010:

- Increased the Section 179 deduction to \$500,000
- Increased total amount of eligible equipment purchased to \$2 million
- Extended the "50% bonus depreciation"

### **Section 179 Rules for 2011**

Under Section 179, a business can currently deduct the cost of qualified property placed in service during the year. Prior to the *Small Business Jobs Act*, the limit for 2010 was \$250,000 and the maximum deduction was subject to a phase-out for annual purchases above \$800,000.

The *Small Business Jobs Act* increased the maximum deduction to \$500,000 for 2010 and 2011 with a phase-out threshold of \$2 million. Eligible assets include computers, office equipment, furniture, machine tools, trucks, trailers