

NEW Rules for Section 179 and Bonus Depreciation for 2012



NISSEI AMERICA, INC.



New Legislation, New Opportunities

Invest in Yourself! Congress has committed to providing valuable economic incentives to manufacturers who purchase capital equipment in 2012.

\$139,000 Write-off

The Section 179 tax deduction allows companies to write-off up to \$139,000 of equipment if total acquisitions are less than \$560,000. If capital acquisitions exceed \$560,000, this write-off is reduced dollar for dollar. For instance, if a company acquires \$660,000 of equipment, it is able to write-off \$139,000 less \$100,000 (the amount of capital acquisition over the \$560,000 limitation) for a net write-off of \$39,000. Once a company's capital acquisitions reach \$699,000, it no longer qualifies for any Section 179 deduction. Equipment which is new to a company (for example, buying a used machine), can be expensed under Section 179.

Example:

Estimated Machine Price (EMP)	\$250,000
Section 179 Deduction	<u>- \$139,000</u>
Balance to Depreciate (EMP - Section 179 Deduction)	\$111,000
50% Bonus Depreciation	\$55,500
Standard Depreciation (14.29% Yr. 1 x (EMP - Section 179 - 50% Depreciation))	\$7,931
Total First Year Deduction (Section 179 + Bonus Depreciation)	\$202,431
Assumed Customer Bracket	35%
TAX SAVINGS	\$70,851
Estimated # of machine payments covered by savings (on a 5-year lease/loan)	14

Get a
TAX BREAK
on your next machine tool purchase!



50% Bonus Depreciation

Companies are able to write off 50% of a machine acquisition this year. There is no limitation on how much equipment may be expensed through bonus depreciation. However, used equipment may not be expensed under Bonus Depreciation.

Only in 2012

The 50% bonus depreciation will expire at the end of 2012. So it may make sense to take delivery of a machine in 2012 vs. a 2013 delivery due to the significantly better tax savings now available in 2012.



www.mfslease.com

Please contact your MFS Financial Services Expert for the new rules for Section 179 and the Bonus Depreciation:

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**MANUFACTURERS FINANCING SERVICES
 CREDIT APPLICATION**

Company Name _____ Organized as: Sole Proprietorship (*Copy of Drivers License Required*)
 Billing Address _____ Partnership
 City _____ State _____ Zip _____ Standard Corporation
 County _____ Sub Chapter S Corporation
 Contact Person _____ Limited Liability Corporation (*Copy of Articles
 of Organization and LLC Agreement Required*)
 Phone Number _____
 Fax Number _____ If Corporation, when does fiscal year end? _____
 E-Mail Address _____ Name of Corporate Secretary: _____
 Equipment Address same as Billing Address above? Yes No If different from above, please provide: _____

OWNER INFORMATION: (If more than two owners, please submit the additional owner information on a blank piece of paper)

Name _____ Name _____
 Home Address _____ Home Address _____
 SSN: _____ % of Ownership: _____ SSN: _____ % of Ownership: _____
 Title _____ Title _____

BANK AND EQUIPMENT LENDER INFORMATION:

Name of Bank / Name of Lender	Checking Account#	Loan Account#	Phone Number	Contact Person	Monthly Payment

TRADE REFERENCES: (Material Suppliers, Tooling Suppliers, etc.)

Name of Reference	Account#	Phone Number	Person to Contact

CUSTOMER REFERENCES:

Name of Reference	Phone Number	Person to Contact	Customer for How Many Years?

Landlord's Name, Address, Phone#: _____
(Equipment financed must be insured during the term of the lease/loan)
 Commercial Insurance Agent's Name, Address, Phone#: _____
 How long have you been in business? _____ Federal Tax ID#: _____
 Annual Sales: _____ Backlog of Orders Currently In-house (in dollar value): _____
TYPE OF EQUIPMENT BEING PURCHASED: Builder and Model#: _____
 Purchase Price: _____ Type of Financing Requested: Lease Loan
 How much of a down payment would you like to provide? _____

By my signature below, I hereby authorize any of the above references to release any credit information requested by Manufacturers Financing Services and its Agents/Assigns or its designee (and any assignee or potential assignee thereof) ("MFS") and I certify that each individual named on this application has authorized MFS to request, obtain and review his or her personal credit profile from a national credit bureau or otherwise. This application in its entirety, including all authorizations and certifications, shall apply to any future request for financing from MFS, and such authorizations and certifications shall be deemed repeated at such time, unless a new written application is submitted.

Date: _____ Signed By: _____ Title: _____
 Date: _____ Signed By: _____ Title: _____