

"The American Recovery and Reinvestment Act" has officially extended the Section 179 Deduction increases through December 31, 2009

2009 Equipment & Tax Savings Opportunity

J2 Medical Solutions would like you to be aware of this important Tax Savings Opportunity.

Section 179 encourages small-business owners to invest in equipment or technology by allowing you to deduct a substantial amount of the asset's value the first year.

Taxpayers who acquire new equipment – including machinery, furniture, fixtures and off-the-shelf software – may be able to deduct up to \$250,000 of the value during the first year of ownership.

Purchases over \$250,000 qualify for 50% Bonus Depreciation.

The Economic Stimulus Act of 2008, in accordance with Tax Code Section 179, can strengthen buying power of new medical equipment bought in 2008.

Filing for Section 179 deductions requires planning. J2 Medical Solutions does not endorse any tax filing method and recommends that medical facilities consult a financial adviser to confirm that filing for Section 179 deductions is appropriate.

Overview of Section 179

Section 179 can allow medical facilities to deduct from taxable income the total cost of medical equipment purchased and put into service this year. In 2008, with increases created by the Economic Stimulus Act, medical facilities can deduct the full purchase price of up to \$250,000 in medical equipment, almost double the deductible amount allowed in 2007. Medical purchases beyond the deductible limit may also be depreciated. Medical facilities that purchase equipment in 2008 may be able to depreciate 50% of costs for the first year of the equipment's use. Limits apply to Section 179. Medical facilities interested in taking advantage of Section 179 should consult a financial advisor for further details.

Please Note: A sample equipment purchase tax worksheet 2009 outlining CR and DR tax deductions is attached to this announcement as a word document.

2009 Equipment & Tax Saving Opportunity

Use the Section 179 deduction to decrease your tax payments and increase cash for your other needs!

	Equipment Purchase Example 1	Equipment Purchase Example 2	Your Numbers
a. Equipment Price	\$40,000	\$275,000	_____
b. Section 179 Deduction	\$40,000	\$250,000	_____
c. 50% Bonus Depreciation (a - b x .50)	\$0	\$12,500	_____
d. 2008 MACRS Deduction (a - b - c x .20)	\$0	\$2,500	_____
e. Total 1 st Year Tax Deduction (b + c + d)	\$40,000	\$265,000	_____
f. Combined Federal & State Tax Bracket	38%	38%	_____
g. Total 2008 Tax Savings as a Result of Capital Expenditure (e x f)	\$15,200	\$100,700	_____
SUMMARY:			
h. Equipment Price	\$40,000	\$275,000	_____
i. Tax Savings (from .g)	\$15,200	\$100,700	_____
New Equipment Net Cost	\$24,800	\$174,300	_____

* J2 Medical Solutions does not provide tax advice. Please consult with your tax advisor with questions.*