



The **TAX CUTS & JOBS ACT**

Deduction Limits

On December 21, 2017 the Tax Cuts and Jobs Act was signed into law. Beginning January 1, 2018, the annual deduction limit for section 179 increases from \$500,000 to \$1 million. This deduction is phased out once annual capital purchases exceed \$2.5 million. Assets eligible for section 179 treatment now include improvements to existing nonresidential property such as roofs; heating, air conditioning, and ventilation systems; and fire protection, alarm, and security systems.

Bonus Depreciation

The Bonus Depreciation percentage has increased from 50% to 100%, for assets placed into service after September 27, 2017 and before January 1, 2023. Bonus depreciation treatment is now available for used equipment, whereas, under prior law, businesses could only use bonus depreciation on new property.

Mestek Machinery does not provide tax, legal or accounting advice. This material has been presented for informational purposes only, and is not intended to provide, nor should it be relied on for, tax, legal or accounting advice. For more information on Section 179, you should consult your own tax, legal and accounting advisors.



section179.org

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