

Equipment Write-off Decreases for 2014

In recent years, businesses could expense up to \$500,000 of equipment purchases in the year of purchase, with a \$2,000,000 annual purchase limit. In addition, bonus depreciation was allowed for new equipment purchases.

However, Congress did not extend these provisions for 2014, so businesses can now only expense \$25,000 of new or used equipment purchases. The deduction is reduced dollar-for-dollar when total asset purchases for 2014 exceed \$200,000. Also, the 50% bonus depreciation that applied in 2013 is no longer available.

Congress may extend these provisions, or they may not. Check with us for the latest when you are making equipment purchasing decisions this year.
inquiries@mangoldcpa.com or 512-327-0909