

Do you want to lower your true cost of ownership and take advantage of the new economic Stimulus Act on your next Sackett Systems, Inc. acquisition?

Combined with the finance offerings provided through Sackett Systems Inc. and Harris, you can save a great deal of money and keep your capital liquid.

Increased Small Business Expensing

The 2008 law increases the amount of qualified property that a business can expense under Section 179 to \$250,000 for tax year 2008. This is for equipment placed in service between December 31, 2007 and January 1, 2009. New threshold: total amount of equipment purchased may not exceed \$800,000.

Bonus Depreciation 2008

The law passed in 2008 also creates a bonus depreciation of 50% for qualifying assets. This bonus is in addition to regular first-year 20% depreciation.

Customers should act now!

This is good only through the end of 2008. Unless Congress extends this, the Tax Code 179 depreciation will go back to \$125,000 with the limit of \$500,000.

How it Works:

Total Equipment Purchase:	\$ 300,000
1st Year Write Offs:	
Tax Code 179	\$ 250,000
50% Bonus Depreciation <small>(50% of the remaining portion \$300,000-\$250,000=\$50,000) 50,000 x 50% = \$25,000)</small>	\$ 25,000
Normal 1st Year Depreciation <small>(25,000 x 20% = \$5,000)</small>	<u>\$ 5,000</u>
Total Deduction in First Year <small>(\$250,000 +25,000 + 5,000=\$280,000)</small>	\$ 280,000
Tax Savings: (Tax Rate Assumed 35%)	
<i>Total Tax Savings</i> <small>(\$280,000 x 35% = \$98,000)</small>	<u>\$ 98,000</u>
First Year Bottom Line Cost After Tax Savings (\$300,000 - \$98,000):	\$ 202,000

As always, states can interpret or adapt different tax laws. Customers should consult with their Tax Advisor for their specific situations.