

2009 AMERICAN RECOVERY & REINVESTMENT ACT

An extension to the Economic Stimulus Act of 2008, provisions are now extended to December 31, 2009. The Act allows for depreciation deductions for equipment placed into service during 2009.

Now is the time to invest in automating your manufacturing process.

TAX BENEFITS EXPIRE 12/31/2009

An extension to the Economic Stimulus Act of 2008, the new law provisions are now extended to December 31, 2009. Including an extra depreciation of 50% on taxes for new purchased or financed equipment. In addition, the law offers certain businesses the opportunity to depreciate up to 100% of the equipment purchase.

- GREAT PRODUCTS
- SIGNIFICANT SAVINGS
- IMMEDIATE TAX BENEFITS
- REFUND ADVANTAGES

Investing in the increased profitability and competitiveness of your business never made more sense.

***Buy Now to Take
Advantage***



Please contact your tax professional to identify if and how these benefits can apply to you. These provisions have been extended and will expire on 12/31/2009 - so act today.

A few examples are provided below on how this can work for you and your company:

50% BONUS DEPRECIATION BENEFIT EXTENDED TO 12/31/2009

For example:

1st year depreciation (50% of \$150,000)

\$75,000

PLUS 14% regular tax savings on remaining property basis

\$14,000

**Total 2009 deduction on a new \$150,000
VERNON Tool System.**

100% DEDUCT UP TO 100% OF EQUIPMENT PURCHASES

For example:

Expense the first \$250,000 for the 2009 tax year

\$250,000

PLUS 50% Bonus deduction on remaining basis (\$250,000)

\$125,000

PLUS 14% regular tax savings on remaining 1st year property basis (\$125,000)

\$17,500

**Total 2009 deduction on a new \$500,000
VERNON Tool System.**

ELIGIBILITY

Only you and your tax professional can determine if these benefits apply to you, but a few highlights of requirements:

- Equipment can be new and used, but must be placed in service in 2009
- Restrictions apply to companies with capital expenditures over \$1,050,000
- The Bonus Depreciation and Section 179 Deduction can be combined
- Deductions will be limited after 12/31/2009

CARRY BACK REFUNDS

- If a company is in a position to show a loss in 2009 (NOL), the deductions can be carried back for previous year refunds
- An amendment return for 2 years carry back for all businesses, and 5 year for small businesses that apply

PLEASE NOTE: The tax information provided in this brochure is for information only and is not intended as tax advice. The applicability of the tax benefits referred to may vary and can only be determined by your tax advisor.

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