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deduction was retroactively preserved for 2014, as were a couple of other related provisions. But these extensions authorized by the Tax Increase Prevention Act ...

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Buy first and ask tax questions later. That seems to the best approach for small business owners in recent years. For instance, if you were smart enough to acquire business equipment in 2014, you can now write off the entire amount up to a lofty maximum in one fell swoop. However, if you didn’t act fast enough, you may have missed the boat.

It all has to do with the annual Section 179 deduction. As part of end-of-year tax

business activities or the maximum allowance. For another, the maximum allowance is reduced on a dollar-for-dollar basis for amounts exceeding an annual "phase-out threshold."

At the turn of the century, the maximum allowance was only $20,000, but it was quickly boosted into six figures until peaking at $500,000, beginning in 2010. Similarly, the phase-out threshold was increased in lockstep with the maximum allowance from $200,000 to $2 million. This gave most small business owners room to maneuver with plenty to spare. Typically, a business would place property in service late in the year to create a near-instant tax impact on that year's tax return.

Recent legislation allowed off-the-cost software to be deducted currently under Section 179. In addition, another tax law provision for "bonus depreciation" could be combined with the Section 179 deduction, forming an effective one-two punch for qualified business property. The latest reincarnation of the bonus depreciation tax break was equal to 50% of the cost remaining after the Section 179 election was made. Finally, the amount left over – if any – could still be written off under the regular depreciation rules.

Without an extension of these rules, the Section 179 deduction will plummet to a measly $25,000, with only a $200,000 phase-out threshold, and the fast write-off for off-the-shelf software can't be claimed. Also, 50% bonus depreciation generally would not be available. These restrictions were penciled in for 2014 before they were erased by TIPA at the last minute. Now business owners are facing the same tax quandary in 2015.

What should your business clients do? The conventional wisdom is to buy the equipment this year that you absolutely need – no more and no less – and wait to see what happens in Congress. If, as expected, the tax law enhancements are extended once more, you can then spend with free abandon. But don't be surprised if the