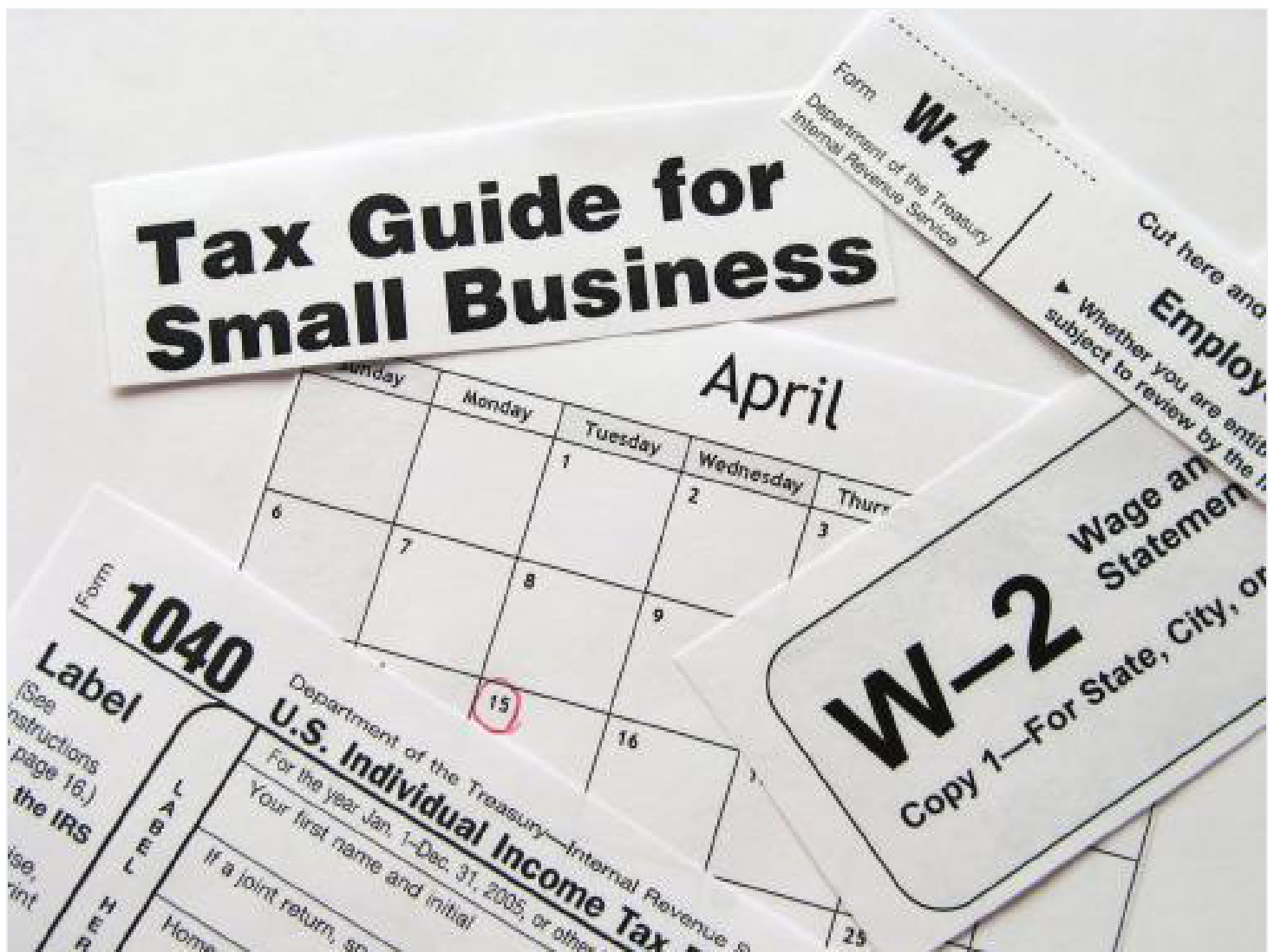


Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

maximum deduction from \$500,000 to \$1 million. It also increased the phase-out ...

Nov. 15, 2018



Some of the changes in the tax reform law mean small businesses can immediately expense more of the cost of certain business property. Many are now able to write off most depreciable assets in the year they are placed into service.

The Tax Cuts and Jobs Act (TCJA), passed in December 2017, made tax law changes that will affect virtually every business and individual in 2018 and the years ahead.

Among those for business owners are tax rate changes for pass-through entities,

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

service in taxable years beginning after Dec. 31, 2017. For most businesses, this means the 2018 return they file next year.

Section 179 property includes business equipment and machinery, office equipment, livestock and, if elected, qualified real property. The TCJA also modifies the definition of qualified real property to allow the taxpayer to elect to include certain improvements made to nonresidential real property. See [New rules and limitations for depreciation and expensing under the Tax Cuts and Jobs Act](#) for more information.

New 100 percent, first-year 'bonus' depreciation

The 100 percent depreciation deduction generally applies to depreciable business assets with a recovery period of 20 years or less and certain other property.

Machinery, equipment, computers, appliances and furniture generally qualify. The law also allows expensing for certain film, television, and live theatrical productions, and used qualified property with certain restrictions.

The deduction applies to business property acquired after Sept. 27, 2017, and placed in service after Sept. 27, 2017, and before Jan. 1, 2023. In general, the bonus depreciation percentage is reduced for property placed in service after 2022. See the [proposed regulations](#) for more details.

Taxpayers may elect out of the additional first-year depreciation for the taxable year the property is placed in service. If the election is made, it applies to all qualified property that is in the same class of property and placed in service by the taxpayer in the same taxable year. The instructions for [Form 4562](#), Depreciation and Amortization, provide details.

Business owners can refer to the [Tax Reform Provisions that Affect Businesses](#) page for updates.

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us