

## Section 179 and “How It Works” with Storage Solutions

This federal tax code section allows taxpayers to deduct the cost of equipment when it is placed into service. This is different from a capital expenditure deduction, which is traditionally taken over multiple years.

Efficient storage solutions and almost every equipment item we provide fall under the Section 179 deduction as they are tangible property. These items are considered machinery and equipment purchased for use in a trade or business, qualifying them for this deduction.

This section was set up to encourage small and medium-sized businesses to invest in the machinery they need by making it easy for them to deduct the entire purchase price from gross income in the year it is placed in service.

These items qualify under Section 179 when:

- The equipment is leased or purchased. This applies to both new and used equipment.
- The equipment is deployed in the same year you take the deduction.
- There is no nepotism. You cannot purchase the equipment from a relative in any form (person or entity).
- You have profit to put the expense against.

Efficient Storage Solutions are considered capital equipment used in trade or business.

Contact us to get a quote started so you can take advantage of this deduction!

