

Section 179 2020 Tax Deduction for Small Business Technology Investment



With 2020 going out with a bang (or more accurately, a spike), business owners welcome the great news of increased year-end tax deductions. With Section 179 2020 offering significant tax relief, small businesses can end the year on a high note with [upgraded technology](#) to make 2021 a great recovery year.

Large Deduction Brings Small Business Benefits

The Tax Cuts and Jobs Act, which took effect in 2018, introduced some eye-popping adjustments to Section 179. Combined with bonus depreciation, they put more money into your business investment budget. These changes include the following:

- **Deduction limit doubled** – For new and used equipment purchased and put into use before the end of the year, the total amount you can deduct was increased to \$1 million. This also applies to off-the-shelf software. The deduction limit adjusts annually for inflation, making the 2020 limit \$1,040,000.
- **Spending cap now \$2,590,000** – Once the total amount of equipment purchased exceeds \$2,590,000 the deduction begins to phase out. That is, if you spend between \$1,040,000 and

\$2,590,000 you take the full \$1,040,000 deduction. After \$2,590,000 million, your tax write-off begins to decrease by one dollar for every extra dollar spent.

- **Bonus depreciation 100 percent for 2020** – Surprisingly, bonus depreciation is not offered every year. In 2020, bonus depreciation is available at 100%. It works like this. Once you reach the deduction limit, you can elect to take bonus depreciation on remaining items.

That means that you take the full depreciation in the first year, instead of spreading it out over several years. While bonus depreciation only applied to new equipment in the past, it now also applies to used equipment.

For example, a business takes advantage of the opportunity to replace aging computers and install modern video conferencing technology. With qualifying expenses totaling \$1.25 million, the business qualifies for the \$1,040,000 deduction. It then takes the bonus depreciation for the remaining \$210,000. In the current 21% percent small business tax bracket, the investment gains \$262,500 in tax write-offs.

Section 179 2020 Items to Add to Your Tax Savings List

With the December 31 deadline fast approaching, now is the time to start making strategic technology investments. You might upgrade [remote worker security](#) to protect business data, for instance. Or you can take the opportunity to beef up conference room equipment for expanded video conferencing capabilities.



- **Remote Work Solutions** – During the COVID crisis, select from a broad portfolio of certified [Yealink Voice and Video Device Solutions](#) for [Microsoft Teams](#).

- ✓ The Yealink UVC30 camera and/or the CP700/CP900 speakerphone make working from home easier and more productive.
- ✓ The Yealink VC210 video collaboration bar, the VP59 video phone and the UH36 USB headset each provide all the features needed to join an individual or group meeting.
- ✓ The Yealink MVC series for Microsoft Teams Room features four different sets of MTR devices that allow users to meet various remote meeting requirements and overcome business travel restrictions.
- ✓ And the Yealink VC210 collaboration bar allows doctors to interact with their patients remotely, improving efficiency, saving time/money and so on.



- **Updated Remote Worker Security** – Designed to protect business users where they connect—in the small office/home office—the Firebox® T15 allows businesses to extend powerful network security to the [remote workforce](#). Firebox T15 is a cost-effective security powerhouse that delivers enterprise-grade security in a small package.
- **Desktop Computers** – Opt for high power in a small package with the HP Z2 Mini G4. Alternatively, architects and other creative professionals will reach for the stars with the all-in-one Microsoft Surface Studio 3.
- **Business Laptops** – Consider the lightweight yet durable HP EliteBook. Or choose the graphics capabilities and performance of the Microsoft Surface Book 3.

Maximize Your Purchasing Power with Expert Advice

Count on the modern technology expertise at eMazzanti to maximize the tax savings available from Section 179 2020. They'll guide you through the hardware and software options available and help to forecast your future technology needs. Contact one of our [Section 179 technology specialists](#) today to begin the process.