



Tax Law Savings While Purchasing a Kiosk Solution in 2011

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BUY A KIOSK SOLUTION IN 2011 AND SAVE UP TO 40% WITH THE NEW TAX LAWS

Tax Credits
for
small business
employees

As domestic and international economies continue to struggle to pull

themselves out of one of the worst recessions in our history, the US Government has enacted some very attractive business tax incentives to encourage capital investment.

So what exactly does this mean to a customer purchasing a Phoenix Kiosk Solution? The answer is the likelihood of very significant tax benefit that would in effect subsidize up to 40% of your purchase and contribute powerfully to your return on investment (ROI). (Naturally, you should always consult your tax advisor to ensure applicability with your own tax position, and the 40% benefit estimate noted is based on combined Federal and State tax rates.)

So what is the source of this generous tax subsidy? There are two tax acts that are of particular interest.

#1 – Small Business Jobs Act - Increased Expensing Levels to \$500,000

The first relates to enhanced Section 179 benefits as per the Small Business Jobs Act that increased expensing levels to \$500,000 for 2010 and 2011. Recall that Sec 179 is the part of the tax code that allows the tax payer to expense capital purchases in the year acquired as opposed to having to depreciate them over their useful lives. (The reader should also note that the Sec. 179 phase-out threshold is currently \$2 million.)

#2 – Small Business Jobs Act - Increased Expensing Levels to \$500,000

The second tax act (Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of 2010) addresses what is commonly referred to as “bonus depreciation”. This provision provides a 100 percent depreciation bonus benefit for capital investments placed in service after September 8, 2010 through December 31, 2011. For equipment placed in service after December 31, 2011 and through December 31, 2012, the bill provides for 50 percent depreciation bonus.

Example of How This Would Work at Phoenix Kiosk

For example, for qualifying tax payers the combined federal and state tax benefit on a \$75,000 Phoenix Kiosk Solution would be approximately \$30,000 (assuming a combined tax rate of 40%) reducing the net effective cash outlay to \$45,000.

Steps for a Business to take Advantage of the Tax Laws

Practically, the taxpayer will first apply the Sec 179 benefit and then use the bonus depreciation to expense in the year acquired any remaining part of their capital investments. The bottom line is that for many businesses their entire Phoenix Kiosk Solution can be expensed for tax purposes in the year acquired instead of over its most likely five year useful tax life.

We invite you to contact one of our Account Executives at [1.877.335.4675](tel:1.877.335.4675) or visit us [online at Phoenixkiosk.com](http://online.atPhoenixkiosk.com) to see how your business can benefit more than ever from the combined benefits of the usual ROI associated with a *Phoenix Kiosk Solution* plus these very valuable tax incentives.

