

Tax depreciation limits

Sect 179 and bonus depreciation may be combined

	<u>2009</u>	<u>2010</u>	<u>2011</u>	
Section 179 Limits	250,000	500,000	500,000	
Sect 179 for SUVs	25,000	25,000	25,000	
Phase-out of deduction begins	\$800,000	\$2M	\$2M	***

*** Once total purchases reach this amount the eligible expense amount will drop, dollar for dollar.
(can be new or used equipment)

<http://www.section179.org>

50% bonus first-year depreciation allowance:

<http://www.depreciationbonus.org>

Qualified property - must be original use/new property
Elective (applies to both regular and alternative minimum tax purposes)

FEDERAL BONUS DEPRECIATION / SECTION 179

Iowa did not adopt the federal 50% bonus depreciation provisions passed by Congress for assets acquired during 2010. The adjustment for depreciation should be made on form IA 4562A to account for the difference between federal and Iowa depreciation. Also complete form IA 4562B (Iowa Depreciation Accumulated Adjustment Schedule).

Iowa did not adopt the federal provisions relating to increasing the expensing amount under section 179 of the Internal Revenue Code passed by Congress in 2010. For 2010, the Iowa section 179 expensing limit is \$134,000 and the investment ceiling limitation is \$530,000.

<http://www.iowa.gov/tax/1040EI/GenInfo/09FedBonDep.html>