

106 words, including headline

### **New tax law changes business expensing**

A change in the tax law allows businesses to immediately expense more of the cost of certain business property. Many businesses can now write off most depreciable assets in the year they're placed into service.

The new law:

- Increased the maximum depreciation deduction to \$1 million.
- Increased the phase-out threshold to \$2.5 million.
- Expanded the definition of section 179 property, which allows a taxpayer to elect to include some improvements made to nonresidential real property

These changes apply to property placed in service in taxable years beginning after Dec. 31, 2017. [IRS Fact Sheet 2018-9](#) has details.

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### **New tax law offers 100 percent, first-year 'bonus' depreciation**

The Tax Cuts and Jobs Act increases the bonus depreciation percentage from 50 percent to 100 percent for qualified property acquired and placed in service after Sept. 27, 2017, and before Jan. 1, 2023.

This law change:

- 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.
- Adds film, television, live theatrical productions, and some used qualified property as types of property that may be eligible.

Taxpayers may elect out of the additional first-year depreciation.

[IRS Fact Sheet 2018-9](#) has details.