

BlueView More Affordable With 2011 US Tax Incentives.

Did you know - two provisions in the 2010 Tax Relief Act can benefit your business when investing in new equipment? The 2010 Small Business Jobs Act and the 2010 Tax Relief Act were signed into law to drive economic recovery and create much needed jobs. In particular two provisions of these new tax laws can make investing in new equipment like the BlueView 2D Imaging Sonar or 3D Mechanical Scanning System more affordable through bonus depreciation, or increased capital expense limit.

Section 179 Capital Investment Expenses – Increased Limit

The Small Business Jobs Act allows qualifying companies to expense up to \$500,000 of equipment placed in service by end of the tax year (2011). The immediate write-off amount is an increase in Section 179 expenses, and applies to companies that do not qualify for Accelerated Bonus Depreciation.

Example

ABC Dive Company wants to purchase a new BlueView P900-130 2D Imaging Sonar at \$29,950 to monitor dive operations. ABC Dive Company is in the 35% tax bracket and has not utilized their Section 179 expenses for tax year 2011.

If ABC Dive Company purchases and puts the BlueView P900-130 2D Imaging Sonar in service prior to Dec. 31, 2011, it can write-off the cost on its 2011 tax return.
New equipment cost after tax savings:
 $\$29,950 - \$10,482 (35\%) = \mathbf{\$19,467}.$

Accelerated Bonus Depreciation – Immediate Savings

The 2010 Tax Relief Act provides 100% first-year bonus depreciation for qualifying new equipment placed in service between Sep. 8, 2010 and Dec. 31, 2011. Companies can now realize full tax savings almost immediately, instead of depreciating and spreading out the tax savings over multiple years. For new equipment placed in service in 2012, the first year depreciation is 50%.

Example

XYZ Survey wants to purchase a new BV5000-1350 for \$125,000 to conduct underwater structure surveys, and is in the 30% tax bracket.

If XYZ Survey places the equipment in service before Dec. 31, 2011 it can fully depreciate the entire amount on their 2011 tax return. Net equipment cost after tax savings:

$\$125,000 - \$37,500 (30\%) = \mathbf{\$87,500}.$

BlueView equipment must be put into service by Dec. 31, 2011 to take advantage of these tax incentives on your 2011 tax return. Contact BlueView today at (206)826-5841 or via email at commercial@blueview.com.

Important Note: BlueView Technologies, Inc. does not provide tax advice or services, actual tax savings may differ from the examples shown. Consult your tax advisor or accounting department for details on how the 2010 Tax Relief Act or Small Business Jobs Act applies to your company.