



Use 2009 Tax Incentives to Acquire Equipment You Need Today

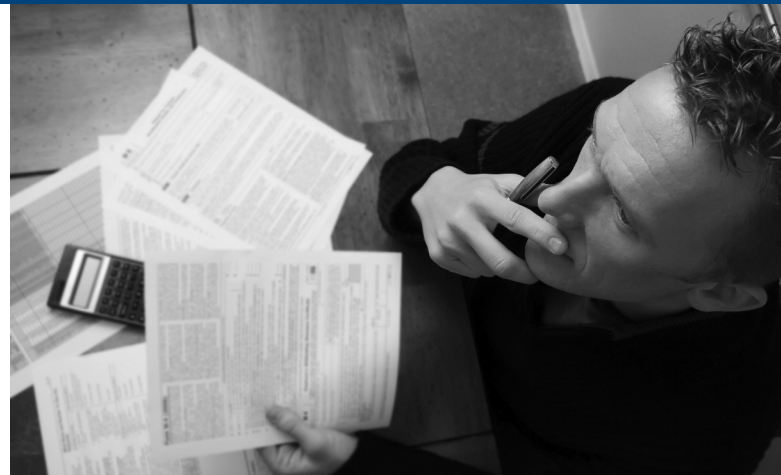
American Recovery and Reinvestment Act of 2009

The American Recovery and Reinvestment Act of 2009 (ARRA) provides a number of tax incentives for businesses. Most of the tax incentives for businesses are found in Subtitle C of Division B, Title I of ARRA.

50% Special Depreciation Allowance/Bonus Depreciation (*Section 1201*) – The new law extends the 50-percent special depreciation allowance that was available for 2008 acquisitions to acquisitions of qualifying property in 2009. This provision enables businesses to deduct half the adjusted basis of qualifying property in the year it is placed in service. The extension applies to qualifying property placed in service in 2009 (2010 for long production period property and certain transportation property).

Acceleration of Certain Business Credits (*Section 1201*) – Corporations that acquire eligible business property have an additional year to accelerate certain tax credits in lieu of a bonus depreciation deduction. The extension applies to eligible business property placed in service in 2009 (2010 for long production period property and certain transportation property).

Section 179 Expensing (*Section 1202*) – During 2009, small businesses can elect to expense up to \$250,000 of the cost of qualifying property under section 179. Without the new law, the limit would have dropped to \$133,000. The \$250,000 amount provided under the new law is reduced if the cost of all section 179 property placed in service by the taxpayer during the tax year exceeds \$800,000.



Now is the Perfect Time to Lease

The American Recovery and Reinvestment Act of 2009 provides a number of tax incentives for businesses to acquire equipment more affordably during 2009. This is great news for companies that want to obtain new equipment and technology to support their business goals and maintain a competitive advantage. You may be able to combine the many benefits of leasing with special 2009 tax incentives.

CIT does not offer or provide tax or accounting advice. For details on the American Recovery and Reinvestment Act of 2009, please consult your financial advisor and accountant.

