

# A holiday gift from the government

by **CLIFF WHITE**, Staff Reporter

**R**egion – A great holiday gift for your company may be some money saved.

Business managers in central Pennsylvania should check to see if they qualify for the

extension

of bonus

depreciation

allowed under

the American

Recovery and

Reinvestment

Act, said

CPA Nancy

Montayne, a

sole practitioner in Williamsport.

Among ARRA's benefits is a clause that allows companies that purchased new equipment in the past year to find some tax savings. For both the regular tax and the alternative minimum tax, the first-year depreciation deduction otherwise allowed on certain qualified tangible personal property acquired and placed in service during 2009 is increased by 50 percent of the cost of such property.

"The purchase needs to be new, it can't be used. But as long as it's purchased and put into use by the end of this year, there's a 50

percent bonus depreciation that is allowed as a deduction for 2009," Montayne said. "What is really interesting about that is typically when a company would buy something in December, i

can only take

a deduction

on that little

portion of

the year.

But in this

case it can

take the full

50 percent

– it doesn't

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matter what time of the year it was bought."

Montayne said most larger corporations are probably already aware this opportunity is available to them, but that small- to medium-sized businesses should take a look themselves or have a CPA look into the matter – soon. The program expires Dec. 31.

"Depreciation isn't very straightforward, so it's helpful to have an accountant fill out the paperwork," Montayne said. "Depreciation is one of those things it is important to get right first time and to be consistent with, or the IRS just might take a second look at your accounting."