

# BONUS DEPRECIATION UPDATE



## BONUS DEPRECIATION EXTENDED FOR 2011 - TAKE ACTION TODAY!

The Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of 2010 has extended and increased the first year bonus depreciation and expense deductions for qualified purchases made in all of 2011.

### Accelerate Business

Purchase or Lease new Cat® equipment in 2011 and you may benefit from significant tax advantages due to the Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of 2010.

- > **100%** bonus depreciation for new equipment placed in service in 2011
- > If you use the equipment in your trade or business and make purchases in 2011 of no more than \$2,000,000 in new or used equipment, you may qualify for higher first-year expense deductions up to \$500,000 for Section 179 qualified customers
- > Regular depreciation on remaining basis
- > Rental Purchase Option (RPO) must be exercised within 90 days of initial delivery (only applies to bonus depreciation)

### Increase Cash

These incentives will help defer your tax liability and improve affordability and cash flow. The better you understand the legislation, the more you can better manage your next Caterpillar equipment purchase or lease.

	Regular Depreciation	New Machines Bonus Depreciation	Used Machines Section 179
Equipment Purchases	\$2,000,000	\$2,000,000	\$2,000,000
First-Year Expenses	—	—	<b>\$500,000</b>
Bonus Depreciation	—	<b>\$2,000,000</b>	—
Normal Depreciation*	\$400,000	—	\$300,000
<b>Total First-Year Expenses &amp; Depreciation</b>	\$400,000	<b>\$2,000,000</b>	<b>\$800,000</b>

\*Assumes 5 Year MACRS



To calculate your individual depreciation benefits and find more information on bonus depreciation and Section 179, visit [www.depreciationbonus.org](http://www.depreciationbonus.org) and [www.section179.org](http://www.section179.org)

### Caterpillar Financial

Please contact your Territory Manager  
[www.CatFinancial.com](http://www.CatFinancial.com)

### FCC Equipment Financing

Please contact your Regional Sales Manager  
[www.fccef.com](http://www.fccef.com)

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