

Tax Code 179 Offers Benefits To Small Business Until 12/31/08

Tax Law Can Improve The Bottom Line

By Charlie Briggs

TAMPA— December 1: Republic Telecom, an industry leader in business communications, announced that the company is working to educate the region's businesses on how to take advantage of significant tax deductions when acquiring new technology under Internal Revenue Code (IRC) Section 179. Republic Telecom is placing special emphasis on Section 179 because the deductions may change under the new administration in 2009.

"Section 179 of the Jobs and Growth Tax Relief Reconciliation Act was specifically designed to give businesses the ability to increase their spending on new equipment and generate growth in order to stimulate the economy," said Donna Arsenault, president of Republic Telecom. "Unfortunately, many companies are not aware of these substantial deductions and how it applies to their business. We believe it is our job as our customers' strategic business partner to educate them on Section 179 and give them the information so they can determine whether to take advantage of it in 2008."

Back on February 13th, President Bush raised the deduction limit under Internal Revenue Code (IRC) Section 179. Now, business taxpayers may generally elect to take an outright deduction of up to \$250,000 of the cost of equipment placed in service during a tax year. If the aggregate cost of qualifying equipment placed in service during the tax year is greater than \$800,000, then the deduction is reduced by \$1 for each dollar by which the aggregate cost exceeds \$800,000. For qualifying assets, the cost of which has not been deducted under Section 179,



Arsenault

the remaining cost of the equipment is then depreciable in accordance with the ordinary tax depreciation rules.

Since February, businesses have been experiencing a tremendous push with these new changes. Those companies that are aware of the deductions are scrambling to ensure they are taking the appropriate steps, because it means hard dollars going directly to their bottom line.

Tampa's Ed Morse Cadillac is another company working hard to get the word out, as Section 179 also allows small businesses a \$25,000 deduction on the highly desirable Cadillac Escalade, the Cadillac SRX Crossover, and the Saturn Outlook.

Surprisingly, however, many companies have either never heard of the law or don't know how to take advantage of it.

"During these uncertain economic times, companies must continue to change the way they conduct business and invest in technology or they will not be around much longer," added Ms. Arsenault. "These deductions give businesses of all sizes the

ability to do just that! Many organizations haven't made a change to their voice and data technology in quite sometime and the latest advancements have an amazing impact on profitability and productivity. Now, is the time for every organization to take a hard look at implementing new technology that will help them weather the ups and downs that our economy is likely to experience over the coming months."

Companies are urged to quickly consult with their tax advisors, as this may only be in effect through the end of this month.

ABOUT REPUBLIC TELECOM

Republic Telecom was founded in 1988 when a group of telecommunications professionals recognized what they saw as a glaring deficiency in the marketplace for leading-edge technology, top quality service, top-notch customer support, and application solutions to the ever-changing marketplace. Since then, Republic Telecom has built a team of highly professional telecommunications personnel who support its customer base in the Central Florida area.

"At Republic Telecom, we are serious about our responsibility as a telecommunications partner and understand that we play a major role in a company's successful communications with their customers. Republic Telecom's written guarantee means that it guarantees 100 percent satisfaction or your money back - no questions asked - within 30 days of installation. At Republic Telecom, we stand behind our products, training and service", Arsenault concluded. For more information on Republic Telecom, call (813) 984-0800 or visit www.republictelecom.com.

