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TAX ALERT

VALUABLE DEPRECIATION BENEFITS SET TO EXPIRE

Unless Congress takes action, the following changes to the tax depreciation rules will take effect for property placed in service after December 31, 2011:

- The 100% bonus depreciation benefit will be replaced by a 50% bonus depreciation benefit for most qualified assets placed in service during 2012.
- The maximum Section 179 deduction allowed for 2012 will fall from the current \$500,000 to \$139,000.
- The Section 179 deduction phase-out threshold for 2012 will fall from the current \$2 million to \$560,000.
- The current \$250,000 maximum Section 179 allowance for qualified real property will no longer be applicable. This applies to "qualified leasehold improvements," "qualified restaurant property," and "qualified retail improvement property."

It is possible that Congress will extend all, or some, of the above provisions in some manner, as they have done in the past. We will continue to monitor the situation, and will let you know of any new developments.

IRS CIRCULAR 230 DISCLOSURE

Pursuant to the Treasury Regulations, any tax advice contained in this communication (including any attachments) is not intended or written to be used, and it cannot be used by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer.

Questions?

If you wish to discuss any of the above items, please contact Charles Marston or Rich Pacella at (724) 934-0344, or email at cmarston@srsnodgrass.com or rpacella@srsnodgrass.com