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CREDIT CRUNCH 2008 – A great time to buy, lease or finance business equipment

So, you've been toying with the idea of buying some new equipment for your business. It's been in the back of your mind for some time now. There's always that looming question – Is now the right time? After all, the US economy is on the brink of a recession and we're in the middle of an unprecedented credit crunch. Maybe now is not the right time! Think again. Despite the credit crunch of 2008 and the threat of recession, now can be an excellent time to buy, lease or finance equipment for your business.

The Feds have helped make acquiring new business equipment very attractive for the 2008 calendar year. It has to do with the Federal Tax Code Section 179. Section 179 is an accelerated tax deduction that enables a business to write off the full purchase price of equipment put into service during any given year. It's nothing new, but what has changed is the following: the maximum allowable deduction went from \$125K to \$250K for 2008. This change is not expected to be permanent. It was supposed to be reset to \$129K but due to the current state of the economy it was raised to \$250K as part of the Economic Stimulus Act of 2008. This will allow small businesses tremendous tax savings if they are in need of new equipment this year. Successful business is all about financial leverage and when the Feds offer it, we should take full advantage, especially since this dramatic increase is likely to be temporary.

So, you're still not sure? The big question one should ask is; how much money will this equipment generate? If the cost is higher than the expected income then now is probably not the right time to acquire it. However, if you've really looked at the numbers and determined that the income will exceed the cost on a monthly basis then do it. Take advantage of the Feds current offer. The credit crunch has presented a great time to buy, lease or finance equipment for your business. Don't forget – talk to your CPA for details on how Section 179 can benefit your business.

For more information or to apply for equipment financing please visit

www.firststarcapital.com

About First Star Capital:

First Star Capital is commercial equipment leasing firm that works with funding partners nationwide to offer competitive and flexible financing options to businesses in all industries.

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