Section 179 Tax Deduction Limit For 2014

Congress has started this year with a new set of tax rules and have not retroactive the Section 179 deduction. For 2014 the maximum section 179 deduction limit is set at $25,000. Some lawmakers have proposed a higher Section 179 deduction limit, along with a permanent extension of the tax provision, to help US businesses purchase more equipment, hire more workers and maintain a better bottom line.

Congress may be on the right track to extend tax provisions that expired as of last tax year 2013. Hopefully bonus depreciation and higher Sec 179 deduction will be extended through 2014. Legislation is moving through both houses of Congress in hope that the extensions are approved. A final decision will not be available until late fall 2014. If you own a business, one of the most important tax codes you need to be familiar with is Section 179. It lets you deduct the purchase price of many types of equipment that is used for business. Over the years, this tax code has helped entrepreneurs and long-established business owners throughout the country write off a big portion of their equipment and technology purchases, thereby enabling them to save their cash. According to the IRS, the Section 179 tax deduction limit as of January 1st 2014 is $25,000. This is a sharp drop from last year’s limit, but it still presents you with an opportunity to deduct a certain amount of your equipment, technology and software purchases when it comes time to do your business taxes.