

IRS SECTION 179 AND BONUS DEPRECIATION



IRS SECTION 179 AND BONUS DEPRECIATION: UPDATED TAX RULES FOR 2025

New Limits & Commercial Equipment Opportunity

Recent updates announced for [Publication 946, How To Depreciate Property](#) (including IRS Section 179 and Bonus Tax Deductions) for 2025. These changes could significantly enhance your tax advantages. *

KEY DETAILS TO KNOW

INCREASED Section 179 DEDUCTION LIMITS

- ▲ If you have a **capital lease**, you may be eligible to claim depreciation over the useful life of the asset. Additionally, customers may be able to write-off the entire cost in the same tax year the equipment is acquired.
- ▲ Deduction cap increased from \$1.25 M to \$2.5 M, effective for property placed in service after tax year December 31, 2024.
- ▲ The phase-out threshold also increased to \$4 M.
- ▲ Eligible customers can fully deduct up to \$2.5 M in qualifying business assets. The deduction phases out completely if total purchases exceed \$6.5 M.

BONUS DEPRECIATION CHANGES

- ▲ Effective for qualifying assets placed in service after January 19, 2025, bonus depreciation restored to 100%.
- ▲ Bonus depreciation applies after Section 179 deductions.

ALWAYS CONSULT A TAX ADVISOR

- ▲ This update on the recent tax depreciation changes is for informational purposes only. TICF and its affiliated dealership partners are not offer accounting or tax advice. Always **speak with your tax or accounting advisor** for more information on eligibility and the benefits to their business of Section 179 deductions and Bonus Depreciation.



Additional Information at IRS.gov:

- ▲ [Publication 946, How To Depreciate Property | Internal Revenue Service \(irs.gov\)](#)

* TICF urges all business owners to consult with their local tax or accounting advisor for more information on eligibility and the effect of Section 179 and Bonus Depreciation on their business.