

TAX ADVANTAGES ON THE PURCHASE OF NEW AND USED EQUIPMENT

TWO KEY TAX BENEFITS:

1 **SECTION 179** provides a deduction on the cost of **new** and **used** capital equipment purchases — an investment cap applies.

2 **BONUS DEPRECIATION** can be combined with the Section 179 deduction for **additional savings**. Bonus depreciation enables you to take additional depreciation on **new** and **used (new to you)** capital equipment purchases.

Bonus depreciation is currently scheduled to phase out over the next 7 years (see table below).

Bonus Depreciation Phase-Out Schedule:

| PLACED-IN-SERVICE DATE | BONUS DEPRECIATION |
|---------------------------------------|--------------------|
| Today to December 31, 2022 | 100% |
| January 1, 2023, to December 31, 2023 | 80% |
| January 1, 2024, to December 31, 2024 | 60% |
| January 1, 2025, to December 31, 2025 | 40% |
| January 1, 2026, to December 31, 2026 | 20% |
| January 1, 2027, and thereafter | 0% |

The intended purpose of these tax benefits is to stimulate the economy. The money you save in the short term can be reinvested in capital improvements, expansion projects, and more, so don't wait — buy that new or used equipment today.

IMPORTANT

The information in this flyer is provided as a customer service by your John Deere dealer and John Deere Financial. However, it is not and should not be construed as tax advice. We strongly recommend that you consult with your tax advisor regarding how these tax-saving opportunities apply in your situation.



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