



Senate Finance Committee

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BILL SUMMARY

SENATE BILL 1387, PN 2079 (SENATOR VANCE)

Summary:

Senate Bill 1387 increases the amount that small businesses may deduct as Section 179 expenses on their income tax filings from \$25,000 to \$50,000. Section 179 of the federal Internal Revenue Code provides for the deduction of all or part of the costs of machinery and equipment used for business purposes.

Current Law:

Under current law, businesses are only eligible to deduct \$25,000 as Section 179 expenses.

Fiscal Impact:

(Dollars in millions)

FY 08-09 Impact	FY 09-10 Impact	FY 10-11 Impact
\$ 6.6	\$ 6.6	\$ 6.6