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Page Title: Medical Practices Can Save Taxes Using Section 179 Deductions | [INSERT RELATED SERVICE] | [INSERT FIRM NAME]

Meta Description: [NAME OF FIRM] explains why now is a good time for medical practices to take advantage of Section 179 tax savings.

Headline: Medical Practices Can Save Taxes Using Section 179 Deductions

**BODY COPY:**

The Tax Cuts and Jobs Act, enacted in 2017, could make now an opportune time for you to purchase new equipment for your medical practice.

Among other things, the new law expanded the availability of business deductions under Section 179 of the IRS tax code, which allow taxpayers to deduct the cost of certain types of property taxes as an expense. Previously, businesses could fully deduct up-front the cost of up to \$500,000 in eligible business equipment purchases; the deduction began to phase out on transactions over \$2 million.

Under the new tax reform, the deduction cap has been increased to \$1 million and the phase-out mark raised to \$2.5 million. Plus, a separate tax change (Section 168) allows businesses to deduct up-front longer-lived assets not covered by Section 179 for a limited period. These changes in the tax code makes it more attractive for medical practices to invest in new equipment and upgrades.

Not only does the deduction apply to medical equipment used in your practice, but also to office furniture, computers and off-the-shelf software. While this might not seem like a big change, its value becomes clear when you consider the tax benefits.

For instance, let's say your medical practice purchases \$30,000 worth of radiology equipment. Section 179 allows the practice to deduct the entire \$30,000 the same year when calculating your taxable income. If the purchase isn't Section 179 eligible, your practice instead must take depreciation allowances, writing off a set percentage of the cost over a period of several years.

Longer depreciation means that you can't fully recover the cost of the investment, since a dollar today is worth more than a dollar tomorrow. Plus, depreciation understates costs and overstates profits. If you had to deduct that \$30,000 in radiology equipment over 15 years using depreciation schedules set by the IRS, you might only be able to recover \$22,842 of the cost. These savings can add up over the life of a business.

Any medical practice that considers making major investments in the next few years should consider the tax consequences. If you have more than \$500,000 in planned purchases and renovations, the more generous tax treatment could improve the return on investment and make the difference in moving forward with those plans rather than delaying.

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