

Section 44 & 179

Tax Credit Savings

A disabled access credit may be available to medical practices that have purchased POWER tables to enable such practices to facilitate the handicapped.

The credit is discussed in Section 44 of the IRS code. To qualify, the practice must meet the following qualifications:

- 1) Annual gross receipts of the practice do not exceed \$1,000,000; or
- 2) The practice employed no more than 30 full-time employees during the taxable year in which the credit is selected.

An eligible practice may elect to apply a credit against income tax. The credit is equal to 50% of the power table purchase price that is over \$250 and not more than \$10,250.

EXAMPLE:

A doctor purchases an elevation table for \$8,000 and his/her tax advisor agrees that the expenditure meets the requirement of the Section 44 credit. Assume the doctor has \$100,000 in taxable income and is in the 31% tax bracket.

Taxable Income	\$100,000	\$100,000
Tax at 31%	\$31,000	\$31,000
Section 44 Credit (50% x \$8,000)	\$0	\$4,000
Net Tax Due	\$31,000 Without Credit	\$27,000 With Credit

Save
\$4,000

In addition, the practice can deduct \$4,000 (\$8,000 less the credit of \$4,000) in depreciation over the table's tax code economic life by utilizing the Section 179 deduction.

Utilizing the Section 179 deduction along with the Section 44 credit, the net out-of-pocket cost for the \$8,000 table would be \$2,760:

Cost of the table	\$8,000
Section 44 Credit	\$4,000
Section 179 Deduction (\$4,000 x 31% tax savings)	\$1,240
Net Cost	\$2,760

Save
\$5,240

Buy a table at a cost of \$8,000 and only pay **\$2,760 after tax deductions!**

Be sure to consult your tax accountant to make sure you qualify.

For More Information or to Order:

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