

## **2025 Section 179 and 100% Bonus Depreciation Tax Benefits.**

### **What's new for 2025?**

New legislation that was signed into law on July 4<sup>th</sup>, 2025, included significant increases in the tax benefits available to manufacturers looking to purchase equipment.

Combining the Section 179 deduction and the increased bonus depreciation limit, Manufacturers can immediately write off up to \$4 million in equipment costs!

- The Section 179 deduction limit was increased to \$2.5 million.
- Bonus Depreciation percentage is back to 100% and can be combined with Section 179.
- Phase-Out threshold increased to \$4 million
- 100% expense of the R&D costs.
- Effective for equipment placed into service after 1/19/2025.

### **How do these increased benefits work?**

- Section 179 provides an immediate expense of the first \$2.5 million in qualifying equipment costs.
- 100% Bonus Depreciation can be applied to equipment costs in excess of the Section 179 limit, up to the phase-out threshold of \$4 million.
- Purchases above \$4 million start to Phase-Out these benefits on a 1:1 basis.

### **What equipment qualifies?**

- All new Makino Horizontal and Vertical Machining Centers, EDM's, Grinders and Automation
- Software, Hardware, Conveyors, Tooling
- Facility upgrades for production
- Used equipment so long as it is new to you

**The effective use of these new tax benefits can provide immediate tax savings, mitigating or eliminating the impact that tariffs may have on investing in the growth of a business.**

**To explore further, please contact Bill Schwanki, Makino Capital Services at (248) 320-7513 or visit our website at [www.makino.com/en-us/resources/financing/financing-options](http://www.makino.com/en-us/resources/financing/financing-options)**

## **Makino Capital Services Provides a Financing Solution Tailored for You**

To learn more about Makino Capital Services and all of our financing options, visit [makino.com/financing](http://makino.com/financing)

*Section 179 limits and information contained here and on the [Makino website](http://www.makino.com) are for illustrative purposes only – please visit [www.irs.gov](http://www.irs.gov) and/or speak with a qualified tax professional to confirm the applicability of Section 179 and Bonus Depreciation as it pertains to you and your equipment purchases.*

