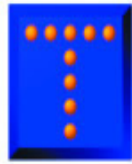


## IN THIS ISSUE

### SPECIAL POINTS OF INTEREST:

- You need to act by the end of 2008
- Equipment purchased must be placed into service between January 1, 2008 and December 31, 2008.
- Techcess Group ranked 8th out of top 50 technology companies in Houston at Fast Tech 50
- You can deduct the full purchase price from your gross income



# Techcess Group

## Monthly Newsletter

DECEMBER 2008 / ISSUE 7

### Taking advantage of the tax incentives for SMBs before the end of the year

#### What is Section 179?

This is a one-year increase. Unless it is extended, the older limits will go into effect for 2009, so if you want to take advantage of the higher limits, you need to act in 2008.

Most people think the Section 179 Deduction is some arcane or complicated tax code. It really isn't, as the following will show you.

Essentially, Section 179 of the IRS tax code allows businesses to deduct the full purchase price of qualifying equipment purchased or financed during the tax year. That means that if you buy (or lease) a piece of qualifying equipment,



you can deduct the **FULL PURCHASE PRICE** from your gross income. It's an incentive created by the US Government to encourage businesses to buy equipment and invest in themselves.

It is sometimes referred

to as the "SUV Tax Loop-hole" or the "Hummer Deduction" because many businesses have used this tax code to purchase qualifying vehicles (like SUV's and Hummers.)

#### Essentially, Section 179 works like this:

When your business buys certain pieces of equipment, it typically gets to write them off a little at a time through depreciation. In other words, if your company spends \$50,000 on a vehicle, it gets to write off (say) \$10,000 a year for five years (these numbers are only meant to give you

an example.)

Now, while it's true that this is better than no write off at all, most business owners would really prefer to write off the **entire equipment purchase price** for the year they buy it.

In fact, if a business could write off the entire amount, they might add more equipment this year instead of waiting. That's the whole purpose behind Section 179.

**Talk to your Tax Advisor about this today!**

### Limits of Section 179



Section 179 does come with limits - there are caps to the total amount written off (\$250,000 in 2008), and limits to the total amount of the equipment purchased (\$800,000 in 2008.) The deduction begins to phase out dollar for dollar after 800k, so this makes it a true small and medium-sized business deduction.

However, in 2008, businesses that exceed the \$250k deduction limit can take a bonus depreciation of 50% on the amount that exceeds the limit. And then also take normal depreciation on the rest. Nice.

## Techcess Group places 8th at FastTech 50



Houston's 50 fastest-growing technology companies were honored at the Fast Tech 50 luncheon presented by the Houston Business Journal and held at the Houston Intercontinental Hotel.

Techcess Group was

ranked **number eight** on the Houston Fast Tech 50 list for the second consecutive year with a growth rate of 150%.

"We are so proud to make it to the top 10 list for the second consecutive year at Fast Tech 50. Having a growth rate of 150% per year is not an easy task to manage, but thanks to the dedication of our employees and their great relationship with our valued customers,

we have been able to do it in a profitable and steady way.— Hugh Sazegar, CEO

Over 450 Houstonians from the business community cheered on the 2008 Fast Tech 50 award recipients at a luncheon at the Intercontinental Hotel, Friday, November 7, 2008 where the rankings were made public.



Ask about our Hosting services

*"Hosting gives you the freedom and security to have an IT environment that can be consistently replicated, proactively monitored or virtualized"*



Under the Hosting umbrella there are three unique services that are customizable according to your environment.

### Co – location

Through this service we physically place your servers in our state-of-

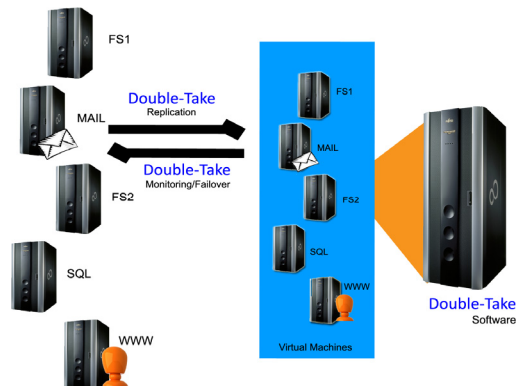
the-art data center. This method is beneficial in the disaster recovery process.

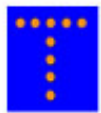
### Replication

This service is ideal for those who want to keep their servers on-site but want an immediate recovery solution. Through Double-Take technology, we replicate your servers data in real-time to our data center.

### Virtualization

Essentially this is the process that turns your hardware into software. Virtualization is ideal for production environments in part because they run on industry-standard servers and desktops and support a wide range of OS and application environments. Here you eliminate hardware costs which could save you thousands!





## Techcess Group

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