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**RE: Current Events Memorandum
Section 179 Deduction goes up for One Year Only**

The American Recovery and Reinvestment Act of 2009 extends the enhanced maximum Section 179 deduction for another year. For the 2009 tax year, the maximum write-off is generally \$250,000 (the same amount as 2008). Without the legislation, the maximum amount would be \$133,000.

The maximum Section 179 deduction for an affected business is reduced dollar for dollar by the amount of qualifying assets in excess of a threshold for the year. For tax years 2009 and 2008, the phase-out threshold is increased to \$800,000 from \$350,000 before the new law. This high threshold means that many more medium-sized businesses will be eligible for Section 179 deductions for tax years 2009 and 2008.