

# CHANT

Chant Engineering Co. Inc.

59 Industrial Drive

New Britain, PA 18901

215.230.4260 Fax: 230.4261

www.chantengineering.com

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Industries

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## FOR IMMEDIATE RELEASE

### New Year...New Tax Laws

January 31, 2018

#### Understanding the new Tax Laws and why it's the right time to buy new equipment.

There has never been a better time to invest in your business' future. It's a new year and we have some great new tax laws that will benefit not only the manufacturing industry, but it allows business owners to finally be able to purchase that long overdue new equipment and take a major capital deduction on their taxes.

What this means for small businesses on future equipment purchases? Owners can now deduct up to \$1 Million in 2018, which is a substantial increase over the 2017 deduction amount. The reform bill also increases bonus depreciation from 50% to 100%.<sup>1</sup>

First and foremost, the corporate tax bill lowers the tax rate from 35% to 21%.<sup>2</sup> Owners will have from 2018 to 2022 to take advantage of the 100% depreciation, basically five years before it tapers off.<sup>3</sup>

To learn more about the Section 179

Deduction and how it can help with future equipment purchases, visit: <http://www.section179.org/><sup>4</sup>.

Dig into this site, as they also have a handy TaxDeductionCalculator™<sup>4</sup>, to quickly help you evaluate

#### *Things to consider when purchasing equipment*

- Is the vendor a trusted and proven source?
- How long have they been in business?
- Does the vendor completely understand your business and your customer's needs?
- Low cost doesn't necessarily mean quality; your end goal is a safe, quality product.
- Tour their facility to fully understand their capabilities.
- Does the vendor have a knowledgeable staff who can successfully design, engineer, install, calibrate and support your product.
- What type of training will they provide your staff?
- Find out what kind of support they provide after machinery delivery to your site.
- Do they have a proactive maintenance plan to help you keep your machinery up and running, meaning less production downtime?
- Do they offer specialized software to help certify your products?

Fig. 1

the equipment purchase price and projected deductions you can take.

We recommend talking to your accountant, so you fully understand how these Tax Reform Laws can benefit you and help you grow your business. All in all, this is great news for business owners. It's definitely the right time to start looking at new machinery to make your business more efficient or to replace machinery that is on its last leg, limping by and long overdue for replacement.

“We have been building machinery consistently for nearly 50 years. Our customers trust us to deliver a machine that is safe and one that is built to last. Customers also like that our products are made in the USA as we are held to some of the highest quality manufacturing standards in the world.”, said Phil Chant, President of Chant Engineering.

2018 Section 179 Example Calculation	
Equipment Purchases:	\$ 1,150,000
First Year Write Off: ((\$1,000,000 = maximum in 2018))	\$ 1,000,000
100% Bonus First Year Depreciation: (updated to 100% via Tax Cuts and Jobs Act <sup>1</sup> )	\$ 150,000
Normal First Year Depreciation: (20% in each of 5yrs on remaining amount)	\$ 0
Total First Year Deduction: ((\$1,000,000 + 150,000 + 0))	\$ 1,150,000
Cash Savings: ((\$1,150,000 x 35% tax rate)	\$ 402,500
Equipment cost after Tax: (assuming a 35% tax bracket)	\$ 747,500

Example Calculation from [www.section179.org](http://www.section179.org)<sup>4</sup>

We are sharing a few things you need to consider when making new equipment purchases. (Fig. 1)

For more information about Chant Engineering, please visit [www.chantengineering.com](http://www.chantengineering.com).

<sup>1</sup> Stockton, Gary. “Will Tax Reform Give Small Businesses Much Needed Relief?”: Experian, Business Credit Education, 2017.

<sup>2</sup> Jacobson, Louis. “What’s in the final version of the tax bill? ”: Politifact, 2017.

<sup>3</sup> Plastics News Staff. “Republican tax reform brings optimism to the industry”: Plastics News, PN Daily Report, 2018.

<sup>4</sup> <http://www.section179.org>. Image of 2018 Section 179 Example Calculation compliments of [www.crestcapital.com](http://www.crestcapital.com) and Tax Deduction Calculator™.

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Founded in 1970, Chant Engineering Co. Inc. is a global engineering company that designs, manufactures, and services proof testing machines, reeling machines, wire rope grips and all other related rigging shop accessories. Chant products are made in the USA with pride in its 55,000 sf manufacturing facility located in New Britain, Pennsylvania. Chant manufactures or distributes every product used in a rigging shop for convenient one-stop shopping.

Chant is the *exclusive* North American Distributor for Talurit™, Dynamic Load Monitoring (DLM) and Friedrich Höppe GmbH products.

Chant Engineering is a nationally recognized ISO 17025 calibration accredited company with precision calibration equipment traceable back to the National Institute of Standards and Technology (NIST).

For more information on Chant Engineering, visit [www.chantengineering.com](http://www.chantengineering.com).

Media Contact:  
Christi Chambers  
marketing@chantengineering.com  
59 Industrial Drive  
New Britain, PA 18901, USA  
Ph: 215.230.4260