



Jason Cowles, regional vice president of Amtec Communications

## **Tax Cut Stimulates Technology Sales in 2004**

### ***Jason Cowles of Amtec Communications Details the Benefits of a Tax Law That Most Businesses Don't Know About***

LAS VEGAS, NV — March 24, 2004 — Have you wanted to make an investment in technology, but didn't have the resources? Well now you can, thanks to a relatively new tax deduction that was signed into law last year. The Jobs and Growth Tax Relief Reconciliation Act of 2003 is stimulating technology sales and encouraging companies of all sizes to make considerable investments that they've been wanting to do for years. If you haven't heard of this law you're not alone.

Section 179 of the Jobs and Growth Tax Relief Reconciliation Act was specifically designed to give businesses the ability to increase their spending on new equipment and generate growth in order to stimulate the economy. The amount of investment that may be immediately deducted by small to medium sized businesses increased dramatically from \$25,000 to a whopping \$100,000. This means that a company can purchase new technology and expense \$100,000 from the total cost in the year it's purchased. Deductions can be taken on new technology, machinery, equipment, telecommunications infrastructure, transportation equipment, and furniture. Additionally, the definition of property for section 179 now includes off-the-shelf computer software placed in service in 2003.

The amount of investment qualifying for the immediate deduction begins to phase out for investments between \$400,000 to \$500,000 and will be indexed for inflation in years

2004 and 2005. Companies need to take advantage of it now because the deduction is good through December 31, 2005 and could change at that time.

If you can't believe this incredible news, there's actually another component to encourage an even greater amount of new spending. The first-year bonus depreciation deduction increased from 30% to 50% for investments acquired and placed in service after May 5, 2003 and before January 1, 2005. This is a one-time deduction of 50% of the cost of the investment in the year of the purchase. Plus, there is no limit on this deduction.

Businesses are getting a tremendous push with these new changes. The law's quadrupling expensing deductions and almost doubling first-year bonus depreciation. Those companies that are aware of the deductions are scrambling to ensure they are taking the appropriate steps, because it means hard dollars going directly to their bottom line. Surprisingly, many companies that we encounter have either never heard of the law or don't know how to take advantage of it. Educating businesses on this powerful act is a slow process and that's why we make sure our clients tap into it.

As a telecommunications and technology provider, I can honestly say that there has never been a better time to make an investment in your business. For instance, most organizations haven't made a change to their telecommunications systems during the last 5 to 6 years and much

has changed in technology over that time such as the development of Voice over IP (VoIP), speech enabled technology, call accounting, and web conferencing. These are examples of new technology that could make your company the dominant player in your marketplace.

I strongly recommend that you consult with your tax advisor to see how the Jobs and Growth Tax Relief Reconciliation Act's tax savings opportunities applies in your situation. Making a new investment will give you a competitive edge and increase your profitability.

#### **About Amtec Communications**

With offices in Las Vegas and San Bernardino, Amtec Communications has been providing businesses with solutions to their communications needs since 1982. Amtec's products incorporate a complete line of business communications systems remarkably engineered to meet the needs of today's fast paced business world. Whether your business needs a telephone system, a voice mail, auto attendant, or IVR system, long distance services or if your business is in search of a reputable company to maintain your existing equipment, our experienced and professionally trained personnel will respond to your needs fast, efficiently, and effectively. For more information on Amtec Communications, call (702) 938-8000 or visit [www.amteccommunications.com](http://www.amteccommunications.com).