

Claim up to a \$1,040,000 Tax Deduction in 2020 on In-Plant Modular Offices, Buildings or Enclosures

Modular building products offer significant tax advantages compared to permanent construction. For most small businesses, the entire cost of your Modular Offices, Equipment Enclosures, and Portable Security Shelter or Gate Booths, can be written off on your 2020 tax return. Deduct the full price of qualifying equipment purchases, up to \$1,040,000, with a “total equipment purchase” limit of \$2,590,000. For full details, visit [section179.org](https://www.section179.org).

Tax Advantages: Standard vs. Modular Construction

Standard building construction is immovable and permanent real estate. It’s considered “conventional construction” and it’s classified as “real property” with a 39-year depreciation.

InPlant Modular Building Systems, by contrast, are not permanently installed. They are portable and moveable, with flexibility for expansion, reconfiguring or relocating. This mobility allows your InPlant Building System to be classified as “tangible property” with **a depreciation period of just one year.***

How You Could Save

EXAMPLE: Assume you purchase a new office for \$40,000 and install it before December 31, 2020. At the end of one year, your InPlant Modular Building System will be fully depreciated, reducing your taxable income by the original cost of \$40,000. If you chose conventional construction, the cost will be depreciated approximately 2.5% in 2020, reducing your taxable income by only \$1,025. By selecting the In-Plant Modular Building System, you gain an additional \$38,975 tax deduction in the first year.

Construction Method	Investment Depreciation	First Year Deduction Amount	Estimated Tax Rate	2020 Tax Savings
InPlant Office Modular Product	\$40,000	\$40,000	35%	\$14,000
Conventional Construction	\$40,000	\$1,025	35%	\$358.97

Assuming a 35% tax rate, the difference of your tax savings invested — \$14,000 one deposit or \$359 yearly contribution — at 5% for the remaining 38 years would approximately return \$89,396 versus only \$42,893.

*You must have a profit to use it. A company that has a loss wouldn't get the Section 179 depreciation deduction immediately. Discuss with your tax professional. Estimate your rates: [section179.org/section-179-calculator.php](https://www.section179.org/section-179-calculator.php)

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