



Balboa Capital Survey: 3 in 4 Small Business Owners are using the Section 179 Tax Deduction for Qualifying Equipment Purchased or Financed in 2016

A significant percentage of small business owners who are knowledgeable of Section 179 are electing to use the deduction for equipment acquisitions made last year. Additionally, an overwhelming majority of small business owners plan to invest in capital equipment in 2017.

COSTA MESA, CALIFORNIA, January 11, 2017 - Balboa Capital, a leading small business loan provider and equipment financing company, today announced the results of its Section 179 Tax Deduction survey, which was conducted to gauge small business owners' understanding and usage of this IRS tax code, as well as their capital equipment investing plans for 2017. The survey reveals that 3 in 4 small business owners are using Section 179 to deduct the cost of qualifying business equipment that was purchased or financed in 2016. In addition, 8 in 10 small business owners plan to invest in new or upgraded capital equipment in 2017. The survey was sent to a sample of small business owners nationwide in December 2016.

"A large number of small business owners acquired equipment last year with plans to expense all or portions of the cost under the Section 179 tax deduction," said Jake Dacillo, Marketing Director at Balboa Capital. "In the weeks leading up to the Section 179 deadline on December 31, we received a considerable amount of inquiries from small business owners who needed equipment financing with a rapid turnaround. With our simple application process, instant credit decisions and same-day funding capabilities, we helped them secure the financing they needed before the Section 179 cutoff date."

Key findings of Balboa Capital's Section 179 survey:

- 67% of SBOs are familiar with Section 179
- 1 in 3 SBOs are not aware of Section 179 or its tax deduction benefits
- 3 in 4 SBOs who are familiar with Section 179 are using it to deduct the cost of business equipment that was purchased or financed in 2016
- 59% of SBOs are using the Section 179 first-year bonus depreciation provision for equipment that was purchased or financed in 2015 or 2016
- Over half of SBOs said they would have purchased or financed more business equipment in 2016 if they knew the Section 179 deduction limit was \$500,000
- Machinery equipment topped the list of SBO equipment acquisitions in 2016, followed by business vehicles, computers, heavy equipment, office furniture/fixtures, and printing/office imaging equipment
- 8 in 10 SBOs plan to invest in new or upgraded capital equipment in 2017
- When asked how they will learn more about Section 179 in 2017, 52% of SBOs said they will consult with an accountant or tax specialist, and 37% will conduct research online

Although last year's Section 179 deadline has passed, small business owners can still take advantage of it in 2017. The current deduction limit is \$500,000 for qualifying equipment that is purchased or financed and put into business use this year. There is also a first-year bonus depreciation of 50% which is scheduled to decrease to 40% in 2018. "80% of business owners who responded to our survey plan to invest in capital equipment this year," said Mr. Dacillo. "Based on the growing awareness of Section 179's benefits among business owners, we expect a number of them to elect this business-friendly IRS deduction for their equipment purchases."

Balboa Capital provides a number of online resources to help small business owners gain a better understanding of Section 179. The company's website features information and updates regarding the tax code, a Section 179 tax calculator, an FAQ section, and a Section 179 infographic that is free to download and share.

About Balboa Capital

Balboa Capital is a technology-driven financing company that provides business owners with fast, hassle-free solutions to fuel their growth and success. The company specializes in small business loans, equipment financing, commercial financing, equipment vendor financing and franchise financing. Balboa Capital developed an intuitive online platform that simplifies the entire financing process. Calculators provide instant estimates, applications can be completed and submitted in a matter of minutes, and sophisticated credit scoring technology provides instant decisions. To learn more, visit <http://www.balboacapital.com>.