



Balboa Capital Survey Reveals Increased Use of Section 179 Expensing and Bonus Depreciation

An overwhelming majority of small business owners, 80 percent, say they will elect the Section 179 tax deduction for qualifying business equipment that was purchased or financed in 2018.

COSTA MESA, CA, NOVEMBER 27, 2018 – Balboa Capital, a leading direct lender that specializes in small business loans and equipment leasing, conducted its annual Section 179 Tax Deduction survey to assess small business owners' knowledge and usage of this IRS tax code. The survey results reveal that an overwhelming majority of small business owners, 80 percent, plan to use Section 179 to deduct the cost of qualifying business equipment that was purchased or financed in 2018, and placed in service for business use. In addition, 64 percent of small business owners intend to claim first-year bonus depreciation for qualifying equipment used for business purposes. The survey was sent to a sample of small business owners in a multitude of industries nationwide during the first week of November 2018.

"This year's trend continues to show an increase in Section 179 expensing," said Carla Freberg, Vendor Services Manager at Balboa Capital. "More and more small business owners are learning about this special tax incentive, and they are investing in their companies accordingly. Capital equipment purchases are a win-win for small business owners and our nation's economy. New or upgraded equipment helps businesses operate efficiently, stay relevant with their customers, and keep up with the competition. Plus, equipment purchases drive revenues for equipment manufacturers and dealers. All of this helps stimulate economic growth."

Results of Balboa Capital's annual Section 179 Survey:

- 67 percent of SBOs are familiar with Section 179, a 9 percent increase from 2017.
- 80 percent of SBOs plan to use Section 179 to deduct the cost of business equipment that was purchased or financed in 2018, a 7 percent increase from 2017.
- 3 in 4 SBOs are familiar with the Section 179 first-year bonus depreciation provision.
- 64 percent of SBOs plan to use the first-year bonus depreciation provision for qualifying equipment that was purchased or financed in 2018.
- Business vehicles topped the list of equipment that SBOs purchased in 2018, followed by machinery equipment, business computers, office equipment, office furniture, heavy equipment, printing equipment, and off-the-shelf software.
- 3 in 10 SBOs said they would have bought or financed more equipment in 2018 if they knew the Section 179 tax deduction limit was \$1 million.
- 60 percent of SBOs plan to invest in new or upgraded equipment during the first few months of 2019.
- When asked how they will learn more about Section 179, 63% of SBOs said they will talk to an accountant or tax specialist, and 30% will conduct research online.

With only five weeks remaining in 2018, Balboa Capital is fully prepared to meet the demands of small business owners during this busy time of year. “We have the staff, lending capacity, and online systems to accommodate increased activity during the final weeks of the year,” said Ms. Freberg, adding, “Small business owners who want to obtain funding to finance equipment in a timely manner, and meet the Section 179 deadline, can do so with us.”

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>.