

Balboa Capital Survey: 8 in 10 Small Business Owners Planning to Use Section 179 Deduction

Dec. 21, 2021 (COSTA MESA, Calif.) – The results of a nationwide survey conducted by Balboa Capital, a top-rated business lender specializing in equipment financing and small business loans, reveal 82 percent of small business owners (“SBOs”) plan to use Section 179 of the Internal Revenue Code to deduct the cost of qualifying equipment purchased or financed in 2021. Balboa Capital’s Section 179 survey was sent to a sample of SBOs in various industries during the first week of December 2021.

“Section 179 provides welcome tax relief for eligible small businesses that invest in qualifying equipment, and the results of our survey reveal that a substantial number of SBOs are taking advantage of it,” said Kevin Umeda, manager of sales planning and coordination at Balboa Capital. “More than 80 percent of SBOs who responded to our survey are planning to elect the Section 179 tax deduction.”

Umeda added that small business owners who are thinking about making capital equipment purchases still have time to do so. “2021 is coming to a close, but Balboa Capital is positioned to help eligible SBOs reap the benefits of Section 179. We offer application-only funding for hard collateral of up to \$500,000, with fast turnaround times. That means SBOs may be able to finance qualifying equipment, machinery, vehicles, software, technology, and other expenditures before this year’s Section 179 deadline on December 31.”

Results of Balboa Capital’s 2021 Section 179 Survey include the following:

- When asked how familiar they are with the Section 179 tax deduction, 17 percent of SBOs said “very familiar,” and 42 percent said “somewhat familiar.”
- 82 percent of SBOs plan to use Section 179 to deduct the cost of qualifying business equipment that was purchased or financed in 2021.
- 42 percent of SBOs are familiar with the Section 179 first-year bonus depreciation provision.
- 54 percent of SBOs plan to use the first-year bonus depreciation provision for qualifying equipment purchased or financed in 2020.
- Business vehicles topped the list of equipment that SBOs purchased or financed in 2021, followed by computers, software, heavy equipment, office equipment, office furniture, printing equipment, and machinery.

- One in three SBOs said they would have purchased or financed more equipment in 2021 if they knew the Section 179 tax deduction limit was \$1 million.
- 13 percent of SBOs did not purchase or finance any business equipment in 2021.
- 8 in 10 SBOs plan to invest in new or upgraded equipment during the first quarter of 2022.

Interested SBOs are encouraged to speak with their tax and accounting professionals about how they may be able to benefit from taking the Section 179 deduction. This release is not intended to, and does not, constitute tax or accounting advice.

About Balboa Capital

Balboa Capital is a technology-driven financing company that provides business owners with fast, hassle-free small business funding options 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 <https://www.balboacapital.com>.

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