



**Add dollars to your bottom line
on purchased capital equipment.**



**Enhanced Tax Benefits are available
through December 31, 2008 for the purchase
of qualifying capital goods.****

The Economic Stimulus Act of 2008, for M.A.C.R.S eligible property, may allow you to accelerate your depreciation deduction. In addition, this can potentially generate tax savings that add more money to your bottom line.*

If you would like more details, please contact your Toro distributor at 1-800-803-8676 ext. 147

****Please consult with your tax advisor for actual deductions for your business.**

**See reverse side for examples of
potential accelerated tax savings.**

TORO

Count on it.

Examples of potential tax savings**:

For Tax Year 2008 – Combining Bonus Depreciation and MACRS:

- 2008 Bonus Depreciation (50% 1st year acceleration)
- Assuming not eligible for Section 179 expensing

Example: Investment = \$500,000 in total, for new qualifying equipment (For Tax year 2008):

Action	2008 Deduction	2007 Deduction
1. Using 2008 Bonus Deprec.: $(\$500,000 \times 50\%) =$ Adjust Basis – $(\$500,000 - \$250,000) = \$250,000^*$	\$250,000	N/A
2. Applying Regular MACRS table to 7-year property Year 1 $(\$250,000^* \times 14.29\%)$ or $(\$500,000 \times 14.29\%$ in 2007)	\$35,725	\$71,450
3. Total first year tax deduction – (57.1% of the investment in 2008 vs. 14.29% in 2007)	\$285,725	\$71,450
4. Potential tax savings (assuming 34% corporate tax rate)	\$97,147	\$24,293

*Basis will remain the same for subsequent years.

For Tax Year 2008 – Utilizing Enhanced Section 179 Expensing

Maximum Section 179 deduction applicable for those who purchase less than \$800,000 in qualifying capital assets. Deduction is reduced after exceeding \$800,000 “trigger point”.

Depreciable Investment	Allowable Deduction
If total investment in qualifying equipment is less than \$800,000	\$250,000** (Increased from \$128,000 in 2007.)
If total investment in qualifying equipment is greater than \$800,000	Deduction is reduced dollar for dollar for any amount exceeding \$800,000
If the investment is greater than \$1,050,000	Deduction is reduced to \$0
Tax savings at maximum deduction level – $\$250,000 \times 34\%$ (assuming corporate tax rate)	= \$85,000 maximum tax savings

For Tax Year 2008 – Combining Section 179, Bonus Depreciation and MACRS:

- Section 179 – Utilizing 2008 tax act
- 2008 Bonus Depreciation (50% 1st year acceleration)
- The standard MACRS table for 7 year property

Example: Investment = \$500,000 in total, for new qualifying equipment (For Tax year 2008):

Action	2008 Deduction	2007 Deduction
1. Section 179 Adjust Basis: $(\$500,000 - \$250,000) = \$250,000$	\$250,000	\$128,000
2. Using 2008 Bonus Deprec.: $(\$250,000 \times 50\%) =$ Adjust Basis – $(\$250,000 - \$125,000) = \$125,000^*$	\$125,000	N/A
3. Applying Regular MACRS table to 7-year property Year 1 $(\$125,000^* \times 14.29\%)$	\$17,863	\$53,159
4. Total first year tax deduction – (78.5% of the investment in 2008 vs. 36.2% in 2007)	\$392,863	\$181,159
5. Potential tax savings (assuming 34% corporate tax rate)	\$133,573	\$61,594

*Basis will remain the same for subsequent years.

**Please consult with your tax advisor for actual deductions for your business.