



Tax Code Alert

If you have a small- to medium-sized business and purchased security or surveillance equipment or software in 2018, you could now qualify for substantial tax deductions via H.R.1's Section 179.

What Section 179 Means for Your Business

As the 2018 fiscal year comes to an end, you might have missed a critical change to an IRS code which affects small- and mid-sized businesses who purchased a security or surveillance system in 2018.

H.R.1's Section 179 (signed into law in January 2018) allows business owners to take a **deduction equal to the full purchase price of a qualifying piece of equipment**, and for the first time this includes **security equipment**. This includes both software and hardware equipment purchased or leased in 2018.

To qualify the equipment must have been purchased and in use anytime between January 1 and December 31 of the year the deduction is taken.

We strongly encourage our current and potential customers to consult their tax professionals on the how this exciting change to H.R.1's Section 179 could impact them.

The Definition of a Security System

Security systems are defined as tangible items used to protect building(s), its occupants, and the contents within. In the list below, you will find equipment provided by DIGIOP highlighted. A security system could include:

- alarm systems
- associated laptops
- entry and access systems
- **monitors (including public view monitors)**
- motion detectors
- **necessary wiring and conduit**
- **network video recorders (NVRs)**
- routers
- **security cameras**
- security lighting
- **software solutions**
- window and door locks

Financial Impact

Depending on your specific tax bracket, this change to H.R.1's Section 179 could reduce the overall cost of a new security system for a small- to mid-sized business by **25 to 35 percent**.

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