

May 10, 2008

Dear Client:

The Economic Stimulus Act of 2008 which is providing the tax rebates to millions of Americans also provides some very important tax benefits for business.

The law provides a significant tax incentive for businesses to make capital investments by adding a special 50 percent depreciation allowance for qualifying purchases. This special "bonus depreciation" allowance is available to all businesses and applies to most types of tangible personal property and computer software acquired and placed in service in 2008. It allows taxpayers to deduct 50 percent of the cost of qualifying property in addition to the regular depreciation allowance that is normally available.

Additionally, new increased limits that businesses can expense under the Economic Stimulus Act of 2008 sets a limit of \$250,000 that a business can expense during 2008. This is up from the limit previously set for 2008 of \$128,000.

As these changes can substantially affect your business taxes and should be a central part of any tax planning for 2008 I invite you to call my office for an appointment. I look forward to meeting with you.

Sincerely,

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