

All Your Commercial Equipment Needs  
From Phone Systems to JETS  
\$5,000 to \$\$\$\$\$Millions



Funding Visions  
Developing Dreams

#### Did You Know?

\*80% of all businesses use leasing

\*US Equipment Leasing Market was \$220 Billion in '04

\*100% financing includes shipping, maintenance, service & software.

#### Definitions

Lease: A contract for the use of specific equipment for a specific time and for a specific lease (rental) payment agreed upon in advance.

**The JGI Companies**  
140 Stoneridge Drive, Suite 130, Columbia, SC 29210  
Phone: (803) 731-4847 Fax: (803) 731-5270  
Email: [info@jgicompanies.com](mailto:info@jgicompanies.com)  
Website: [www.jgiinc.com](http://www.jgiinc.com)

## Newsletter

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WELCOME to the JGI Newsletter. We at JGI value & respect our past, present & future clients and their businesses. We want you to be well informed about your financing choices and we want your business to grow as a result. We will endeavor to deliver relevant & timely information that will make your job easier. We welcome any suggestions you may have or ideas for topics you are interested in. Always feel free to contact us with any questions. We are here to help you find the best solution for you.

Jim Jones, President & CEO

Betty M. Bledsoe, Leasing Director

\*\*\*\*\*WELCOME\*\*\*\*\*

Join us in welcoming our newest associate - Faith S. Turner. Faith will be a Marketing Associate with our company. Please feel free to contact her with any questions on commercial equipment financing or to review a potential deal. She can be reached at the office - (803) 731-4847 or on her cell phone - (803) 528-7652. Her email address is [fturner@jgicompanies.com](mailto:fturner@jgicompanies.com).

### Non-Tax or Capital Lease Advantage IRS Section 179 Tax Savings

Under IRS Tax Code, Section 179, businesses that spend less than \$430,000 a year on qualified equipment or property can write off up to \$112,000 in 2007. This is an acceleration of normal depreciation and of future tax savings. The rules are designed for small companies, so that the \$112,000 deduction begins to phase out for businesses that purchase more than \$430,000 in one year. (Companies cannot write off more than their taxable income and the equipment must be placed in service by December 31.) Leases that qualify for this are both \$1 Buyout and 10% PUT (Purchase Upon Termination). Types of property that may be eligible for this deduction are machinery & equipment, gasoline storage tanks & pumps, livestock and even off-the-shelf computer software. This equipment must have been acquired for use in your business and must be used over 50% for business use. The Section 179 deduction is not automatic. You can take your deduction on IRS Form 4562. Please consult with your tax advisor on the specific benefits for your company or go to the IRS website for further information - [www.irs.gov](http://www.irs.gov).

#### Example of the savings:

Equipment Cost	\$125,000
Section 179 Deduction	\$112,000 (Maximum amount of deduction for 2007)
Regular 1 <sup>st</sup> Year Depreciation*	\$2,600 (\$125,000 - \$112,000 = \$13,000 X 20%)
Total 1 <sup>st</sup> Year Deduction	\$114,600
Tax Savings @ 35% Rate Bracket	\$40,110 (\$114,600 X 35%)
1 <sup>st</sup> Year Bottom Line Cost	\$74,490

\*Depreciation calculated on 5 years on the amount in excess of \$112,000.

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