WHAT THE NEW TAX LAW MEANS FOR ACCESS CONTROL & SECURITY SOLUTIONS

Passed in late 2017, the **Tax Cuts and Jobs Act (Public Law 115-97)** impacted all corners of the United States economy.

This re-write of the United States tax code changed tax brackets and deductions for millions of Americans.

One of the lesser-known aspects of the tax law is the changes it applies to the deductions a business can make on a yearly basis; namely, the cap on the deductions was increased and the list of equipment that qualified for the deductions was expanded.

Security Systems & Section 179

In previous years, business owners could deduct the cost of various “qualifying real property” that was necessary for doing business. Commonly deducted items included company cars, company cell phones and other business equipment.

Section 179 of the new tax law discusses the “election to expense certain depreciable business assets.” When the law was enacted in late 2017, it made two major changes:

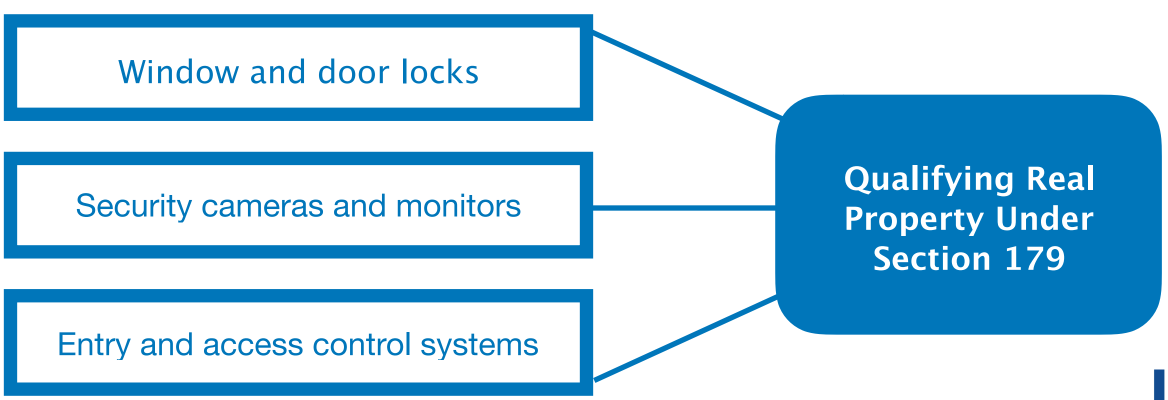
- Annual limit on deductions was **increased to $1 million** from $500,000
- Qualifying real property was expanded to **include security and alarm systems**

What do these new deductions mean for business owners?

Qualified business owners are now able to **deduct up to 100% of the cost** of their new access control or security system. This gives the business tax relief and frees up capital to invest in other aspects of the business, which in turn can help stimulate the local economy.

What equipment qualifies under the new tax law?

According to the Security Industry Association (SIA), qualifying equipment includes:



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Please note: The content above is meant to be informational, and does not take the place of advice from a qualified tax attorney. You should always consult with a professional before attempting any sort of deduction like the ones discussed above.

Sources: SIA, “New Tax Incentives for Security and Fire Protection Systems”; U.S. Congress, https://www.congress.gov/115/bills/hr1/BILLS-115hr1enr.pdf