



WHY LEASING MAKES SENSE



It's time for your operation to invest in new equipment and the same question keeps arising: Should we buy or lease our technology?

With today's technology firmly anchored in cloud services and businesses' need for agile solutions, all signs point to the advantages of the subscription model and why you should consider leasing equipment.

HERE'S A FEW FACTS TO CONSIDER:

THE ADVANTAGES of Leasing Equipment

LESS INITIAL EXPENSE.

No large lump sum is needed to purchase your equipment. Leasing allows for easy, predictable payments and helps maintain budget. Obtain the equipment you need without significantly impacting your cash flow.



TAX DEDUCTIBLE.

Did you know that leasing can be 100% tax-deductible under the **179 IRS Tax Code?** ^(1,2) Deduct your lease payments as an operational expense on your tax return and reduce the net cost of your lease.



KEEP UP WITH TECHNOLOGY'S LIFE CYCLE.

Hardware and software upgrades can happen often but are usually included in a lease. Leasing allows your business to keep up with technology better without unexpected additional costs.



MAINTENANCE.

Maintaining equipment can become a black hole of expenses and time. With leasing, you don't pay for maintenance. If something breaks or has issues due to normal wear and tear, the equipment vendor will handle those issues.



THE CONS of Purchasing Hardware

HIGHER INITIAL COST.

It can be difficult to pay for costly equipment all at once as opposed to just budgeting for lower monthly payments. Huge upfront costs can keep you from buying exactly what you want and may force you to settle for a lower-cost option.



EQUIPMENT DEPRECIATION.

The equipment you own loses its market value over time.



COMPLICATED EQUIPMENT DISPOSAL.

What happens to hardware when you need to replace it? If you buy your own, you are responsible for the equipment disposal. Keep in mind the added pressure of disposing it in an environmentally appropriate way AND that you must remove all sensitive data that may have been stored in it.



UPKEEP IS YOUR RESPONSIBILITY.

When you buy your own equipment, you are responsible for keeping up with upgrades, updates, troubleshooting and repairs. This can get pricey and making repairs is not always simple. You could end up with hardware that you can't return or sell.



SOURCES

(1) Business Equipment Deduction: http://www.section179.org/section_179_deduction.html
(2) Qualifying Property: http://www.section179.org/property_that_qualifies_for_section_179.html