SECTION 179 PLAYBOOK –

The Big Beautiful Bill

The Big Beautiful Bill Has Arrived: Here's How to Help Your Sales Force Capitalize on It

Section 179 changes now allow businesses to deduct up to $2.5 million off their tax bill this year, creating a win-win proposition for you and your customers.

The Big Beautiful Bill has been signed into law, providing the most significant incentive for equipment sales our industry has ever seen. With the passage of this new bill, equipment distributors have gained a crucial element for success: clarity.

Now is the time to arm your sales force with clear, practical information, ensuring they can effectively communicate the tremendous opportunity your customers have to invest in their future and take full advantage of these tax incentives.

Can You Use Section 179 with a Lease?

YES – and here's why it's a game-changer.

Section 179 allows businesses to deduct the full purchase price of qualifying equipment in the year it's placed into service, rather than having it depreciated over time.

What's New in 2025?

- Deduction limit: $2.5 million
- Phase-out threshold: $4 million
- Indexed for inflation in future years

Leasing Benefits:

- Preserve cash flow: Little to no upfront cost
- Bundle costs: Include software, maintenance, and supplies
- Lower total cost of ownership: Especially for businesses that return or extend leases

Who Benefits?

- Contractors
- Construction firms
- Landscaping companies
- Any business that uses heavy equipment or software

PRO TIP

A First Amendment Lease structure allows customers to claim the full deduction while keeping monthly payments low. As an added bonus, a First Amendment lease allows customers to convert the lease to an FMV lease after the end of the initial term. It is the only lease that has this feature.

What’s in the Big Beautiful Bill That Benefits Your Customers?

Increased Section 179 Expense Allowance

The bill doubles the Section 179 expense allowance to $2.5 million in 2025, with a $4 million phase-out threshold, adjusted for inflation in subsequent years.

Mastering Section 179

This provision allows businesses to deduct the full purchase price of qualifying equipment or software in the year it is placed into service.

Phase-Out Threshold

The $4 million phase-out means that the deduction will be reduced dollar-for-dollar for amounts exceeding this limit.

Eligibility

Both new and used equipment are eligible for the deduction, provided the equipment is new to the business.

How Does This Impact Leasing?

Bonus Depreciation and Section 179 Benefits

A common question is whether you can still take advantage of bonus depreciation and/or Section 179 benefits when you choose a First Amendment Lease. The answer is YES.

Leasing Advantages

Leasing allows customers to capitalize on these significant tax incentives with minimal upfront capital expenditures. It remains the most cost-effective option for lessees who return or extend their leases.

Comprehensive Leasing Options

Businesses can also include software, maintenance, and supplies in their leases. This helps avoid unexpected expenses, reduce downtime, and transfer maintenance cost responsibilities away from the company.

Leasing allows your customers to upgrade frequently, ensuring they access the latest technology, safety features, and emissions standards.

Devising A Winning Sales Talk Track

What does the passage of the Big Beautiful Bill mean for your customers?

MORE

More lucrative tax benefits, more capital preservation, and more opportunities for customers to further their business goals and drive growth.

It's essential to hold a town hall or team meeting to review practical information that your sales force can use when engaging with a contractor.

SUGGESTED TALK TRACK:

OBJECTION: Your equipment is too expensive.
RESPONSE: You can immediately recoup the full cost of the equipment you buy through tax deductions this year.

OBJECTION: We aren't ready to lease at this time.
RESPONSE: Consider moving your timeline forward to this year to take advantage of this new legislation.

OBJECTION: We want to pay cash.
RESPONSE: Leasing lets you preserve capital for growth opportunities while still benefiting from tax breaks.

OBJECTION: I need to talk to my business partner.
RESPONSE: Your CPA will love this. It's a smart tax strategy that sets your business up for success.

Action Plan for Dealers

HOST a Sales Team Huddle

Discuss Section 179 changes and how leasing fits into the picture.

SHARE the Talk Track

Ensure every representative knows how to address objections confidently.

PROMOTE Urgency

Remind customers that the equipment must be in service by Dec. 31, 2025, to qualify.

PARTNER with Your Leasing Rep

Structure deals that maximize value for your customers.

Leasing eliminates upfront costs, allowing your customers to keep cash for payroll, materials, and new projects.

The Numbers Don't Lie – Why Section 179 + Leasing Is a Power Combo

Key Statistics for 2025:

- $2.5 million: Maximum Section 179 deduction limit
- $4 million: Phase-out threshold
- 100% bonus depreciation: Available on remaining equipment costs
- 32% average tax rate: A $250,000 equipment purchase could yield $80,000 in tax savings

Leasing Advantage:

- Deduct the full equipment cost even if leased
- Preserve capital while claiming the full deduction
- Lease Rate Factors as low as 0.0140 means your customer could pay as low as 1.4% of the equipment cost per month

Real-Life Case Studies – Section 179 in Action

How Two Contractors Saved Big

CASE STUDY 1: Company A

A regional site development and excavation firm in the South

CHALLENGE: Needed $1.8 million in equipment for a municipal contract but wanted to preserve cash.

SOLUTION: Used a First Amendment Lease to acquire equipment with no upfront capital, deducted the full $1.8 million under Section 179, saved $576,000 in taxes, and bundled in maintenance and software.

RESULT: Completed the project ahead of schedule and under budget and gained flexibility to bid on new projects.

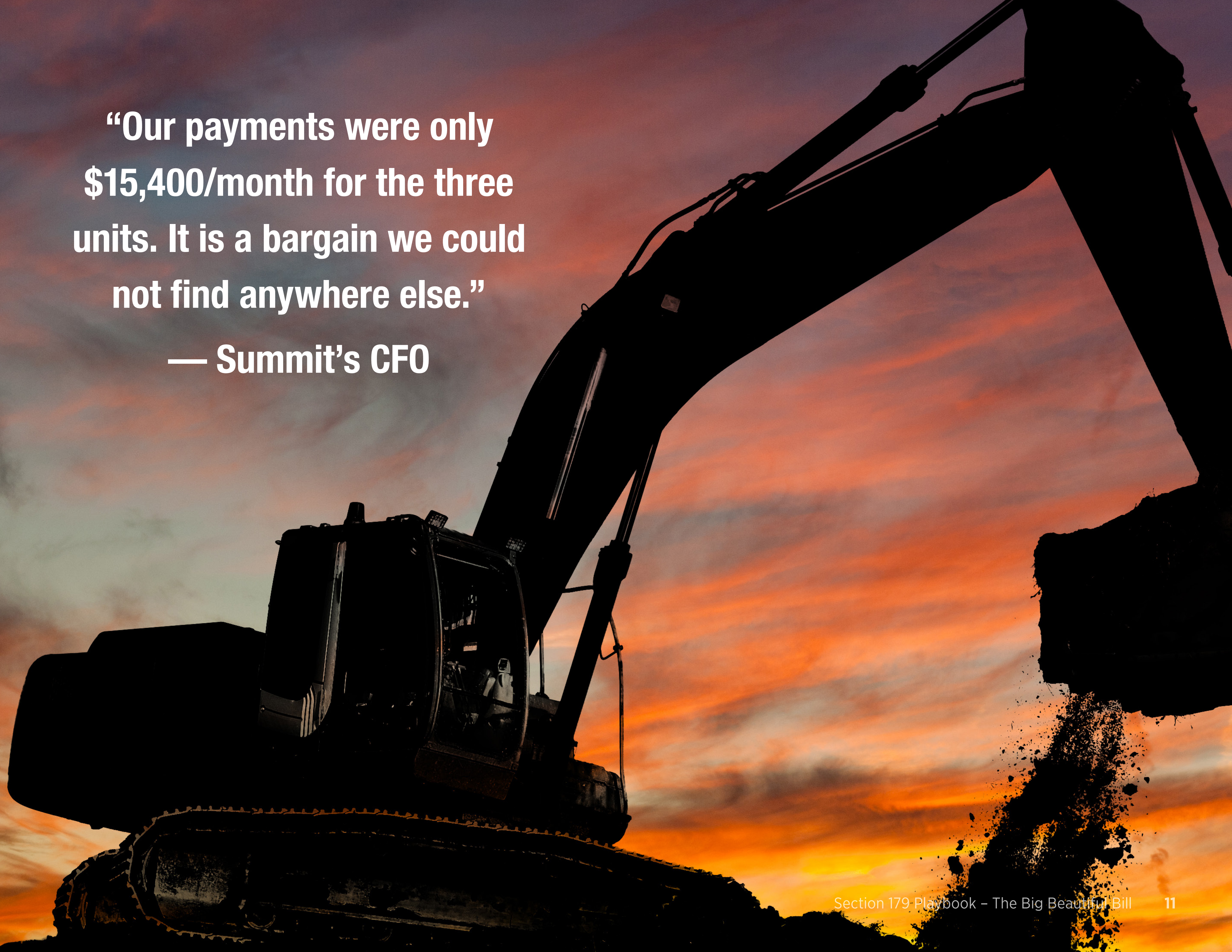
CASE STUDY 2: Company B

A mid-sized excavation and grading contractor in the West

CHALLENGE: Needed to upgrade its fleet with two new excavators and a GPS-enabled dozer, totaling $1.1 million.

SOLUTION: Utilized a First Amendment Lease to acquire all three machines without any upfront payment, deducted the entire $1.1 million under Section 179, saved approximately $352,000 in taxes, and kept cash on hand for a new project.

RESULT: Summit's CFO called it a "no-brainer." They acquired the necessary equipment, reduced their tax bill, and maintained liquidity to support growth.



"Our payments were only $15,400/month for the three units. It is a bargain we could not find anywhere else."

— Summit's CFO

80% of companies are set to lease most, if not all, of their equipment in 2025.

Summary

The One Big Beautiful Bill has introduced unprecedented opportunities for construction equipment dealers and their customers. With the Section 179 deduction limit raised to $2.5 million and a $4 million phase-out threshold, businesses now have a powerful incentive to invest in equipment before the end of 2025.

Leasing is a strategic financial tool that enables customers to preserve capital, bundle services, and still take full advantage of Section 179 benefits. Whether using a First Amendment Lease or another structure, the ability to deduct the full cost of equipment while maintaining liquidity is transformative.

Real-life case studies across the construction industry demonstrate how businesses are utilizing these incentives to expand, lower their tax burden, and maintain competitiveness. From excavation firms to municipal contractors, the message is clear: act now to maximize these benefits.

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What You Should Do Next

- ☐ Host a team meeting to review Section 179 and leasing strategies.
- ☐ Share the talk track and case studies with your sales force.
- ☐ Encourage customers to act before the deadline of December 31, 2025.
- ☐ Partner with your leasing representative to structure optimal deals.
- ☐ Use this playbook as a training and sales enablement tool.

JEFF WHITCOMB
Senior Vice President Construction
630-853-1991
jwhitcomb@ffequipmentleasing.com

ffequipmentleasing.com