PRIME

# HEAVY EQUIPMENT OWNERSHIP AND LEASING



By purchasing and leasing out heavy equipment, you can take advantage of powerful tax incentives. You purchase qualifying heavy machinery through your own LLC, typically using a mix of cash and financing, and then lease that equipment out through an operating partner. As the equipment is put to work, it generates monthly income that flows back to you as the owner.

At the same time, you may be able to take a significant upfront tax deduction using tools like bonus depreciation or Section 179. Because the structure often includes financing, your deduction can be based on the full purchase price—not just your initial cash investment—assuming you meet the required guidelines. Over the life of the strategy, you benefit from both cash flow and tax savings, with a planned exit where the equipment is sold or remarketed after several years.

## QUALIFICATIONS

This strategy could be a strong fit if you:

- Earn high income and want to reduce your current-year tax liability
- Are open to owning a real business asset—not just making a passive investment
- Can qualify for and are comfortable using financing as part of the structure
- Are willing to stay involved in the activity to support active tax treatment
- Want a combination of upfront tax savings and ongoing income
- Are prepared to think beyond year one and plan for the full lifecycle of the investment

## IMPLEMENTATION

For a detailed implementation checklist and other helpful resources, scan the QR code below or click **here**.

It's also important to understand:

- **This is a business, not just a deduction.** You're buying, leasing, and eventually selling real equipment.
- **Tax benefits are typically front-loaded.** The biggest impact often happens in the first year, depending on your situation.
- **Your involvement matters.** Participation can affect how the tax benefits apply to your income.
- **There's a future exit to plan for.** The strategy includes a sale or remarketing of the equipment down the road, which should be part of your overall tax planning.



### WHAT COULD THIS MEAN FOR ME?

For a clearer understanding of exactly what this strategy could look like for your situation, check out our Heavy Equipment Planner by visiting **primepartner.info/tax-planner**.

### GOT QUESTIONS?

Email **decoder@primecorporateservices.com**
or contact **(855) 577-4639** for more information.

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