

Learn how businesses nationwide take advantage of Section 179 by depreciating roof repairs, saving tens of thousands of dollars on their organization's taxes.

What's Section 179?

Section 179 is an IRS tax code part of the Tax Cut and Jobs Act that allows businesses to deduct the total purchase price of qualifying equipment from their taxable income. Qualifying purchases include improvements to roofs, HVAC systems, fire protection systems, etc. This bonus depreciation is currently set at 80% but will decrease to 60% in 2024

Why is Section 179 important to businesses?

Business owners can save a tremendous amount of money on their taxes. The tax code allows businesses to invest in improving their building and benefit from these expenditures in the same tax year.

Are roofing projects eligible for Section 179? Yes. The IRS uses "roofs" as an example of improvements made to nonresidential real property after the date the property was first placed in service.

Why should businesses take advantage of Section 179 as soon as possible?

Beginning on January 1, 2024, the bonus depreciation will decrease from 80% to 60%. The rate will continue to decline by 20% annually through 2026.

For example, if a business is replacing a location's roof that costs \$50,000 in 2023, they could deduct \$40,000 from their 2023 taxes. If that same roof were installed in 2024, only \$30,000 could be deductible from their 2024 taxes.

WHEN IS ROOF REPAIR TAX DEDUCTIBLE?

Roof repair may be tax deductible in certain situations. One of the main factors determining whether roof repair is tax deductible is whether the repair is considered a maintenance expense or a [capital expense](#). If the repair is considered a maintenance expense, it cannot be deducted as a business expense. However, if the repair is considered a capital expense, it may be deductible as a business expense.

In Austin, Texas, roof repair may be tax deductible if the repair is considered a capital expense. This means the repair must be significant and add value to the property. For

example, if a business owner replaces the entire roof on their commercial property the repair cost may be considered a capital expense and deductible as a business expense.

On the other hand, if a business owner patches a few holes in the roof, this would be considered a maintenance expense and would not be tax deductible. It is essential for business owners in Austin to keep accurate records of all roof repairs and to consult with a tax professional to determine which expenses may be deductible.

Signature Roofing and Coatings does not intend to provide tax, legal, or accounting advice. Please consult with your tax advisor before making any decisions regarding Section 179.



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