



News Release

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U.S. Economic Stimulus Package of 2009 includes Incentives for making Commercial Laundry Equipment Purchases

Ripon, Wis. – In an effort to stimulate the economy, President Obama signed the American Recovery and Reinvestment Act (ARRA) of 2009 into law on February 17, 2009. In addition to provisions aimed at supporting individuals, the new law includes business tax relief that will assist businesses such as coin laundries and on-premise laundries.

The business tax relief comes in two forms:

- Fifty percent bonus depreciation for new capital expenditures like commercial laundry equipment ordered and placed into service during 2009, and
- An increase in how much small businesses can write off for new and used equipment purchases in 2009.

“We were excited about both of these two new provisions for our customers,” said Todd Rice, Alliance’s Director Financial Services. “These new provisions will help many commercial laundry owners increase cash-flow and lower life-cycle costs. Congress and the President have produced an economic stimulus package that is a big win for U.S. businesses and the commercial laundry industry.”

Fifty Percent Bonus Depreciation

Bonus depreciation allows businesses an extra one-year boost in how much they can deduct on capital expenditures like equipment that normally would depreciate over time. For example, under the old law, new laundry equipment costing \$100,000 could only provide a 2009 depreciation deduction of 20 percent, or \$20,000. Under the new law for 2009, first-year depreciation can be \$60,000: 50 percent of the \$100,000 machine cost (\$50,000) plus 20 percent regular depreciation on the remaining \$50,000 property basis, or \$10,000.

That’s 40% more (\$40,000) in tax deductions for 2009 new equipment purchases.

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Expensing for Small Business

Section 179 Expensing for Small Business more than doubles the amount that small businesses can write off for new or used equipment purchased during 2009, from \$128,000 to \$250,000. Additionally, the new law significantly increases the amount that can be purchased during the year and still receive the full benefits of the Section 179 expensing option – from the previous cap of \$510,000 to \$800,000. If a business purchases over \$800,000 of equipment in 2009, the deduction begins to be limited. If \$1,050,000 in equipment is purchased, no Section 179 deduction can be taken under the new rules. This is a one year increase for 2009. The Section 179 deduction will revert back to the \$128,000 limit, adjusted for inflation, after 2009.

“Beyond that, the increased Section 179 expensing allows the new 50 percent bonus depreciation to be taken on the remaining basis of the equipment if it’s new,” said Rice. “These two provisions in the economic stimulus package are enormous benefits to our customers.”

About Alliance Laundry Holdings LLC and Alliance Laundry Systems LLC

Alliance Laundry Holdings LLC is the parent company of Alliance Laundry Systems LLC (www.comlaundry.com), a leading designer, manufacturer and marketer in North America of commercial laundry equipment used in laundromats, multi-housing laundries and on-premise laundries. Under the well-known brand names of Speed Queen[®], UniMac[®], Huebsch[®], IPSO[®], and Cissell[®], we produce a full line of commercial washing machines and dryers with load capacities from 12 to 200 pounds. We have been a leader in the North American stand-alone commercial laundry equipment industry for more than ten years. With the addition of our European operations and Alliance Laundry’s export sales to Europe, we believe that we are also a leader in the European stand-alone commercial laundry equipment industry.