



HOW DISTRIBUTORS CAN LOCK IN TAX SAVINGS

*This download explains the tax benefits of Section 179
for Building Materials Suppliers and Wholesale
Distribution businesses*

WE ARE FACING A CHALLENGING ECONOMIC ENVIRONMENT

INFLATION CONTINUES UNABATED

It is a tough time for building materials suppliers and wholesale distributors. Inflation continues to soar. According to [Statista](#), for the 12 months ended September 2022 inflation came in at 8.2% down from 8.3% for the 12 months ended August 2022. These are levels not seen in 40 years and the inflation rate is expected to stay high through the end of 2022. In response the Federal Reserve has been forced to raise interest rates to fight inflation, but this depresses economic growth and weakens the economy.

COSTS ARE UP AND DEMAND IS SLUGGISH

As a result of mortgage rate increases, housing starts tumbled in September 2022 to their lowest levels in more than two years squeezing building materials suppliers. On top of this, all wholesale distributors are struggling with increasing materials prices and rising supply chain costs. With customers struggling building materials suppliers and distributors and cannot pass on increased costs to their customers.

How can wholesale distributors survive these challenges?

WHAT CAN DISTRIBUTORS DO TO WEATHER THE STORM?

HOW DISTRIBUTORS CAN COPE

The solution is to implement better ERP [software for wholesale distributors](#) that will improve productivity and cut costs. Using better process flows and better information tracking will help drive efficiencies and cost-effectiveness. In effect you will be able to do more with less. Investing in better ERP [software for wholesale distributors](#) can generate a big ROI for your business in a number of critical ways, including improved [inventory and purchasing software](#), better tracking of your goods through the supply chain, diversifying vendors and implementing RFQs, implementing [business intelligence](#) and complex pricing, [cloud-based](#) infrastructure that frees you up from managing servers and networks and many more areas.

SECTION 179 TAX BREAK

In addition, to the operational improvements, productivity enhancements and cost savings, there is a big tax break under section 179 that is available. Section 179 allows small and mid-sized businesses, including wholesale distributors and manufacturers, to deduct the full purchase price of qualifying software and/or equipment purchased during the tax year. You can get more details from the [IRS Website](#) and the [Section 179 Website](#).

WHAT ARE THE TAX BENEFITS OF SECTION 179?

BENEFITS OF SECTION 179

The Section 179 tax incentives are made available to help companies invest in productivity-enhancing software that they may not otherwise be able to afford. The IRS offers these tax incentives because it believes that improvements in your infrastructure will better position your business for growth in the future. Without taking advantage of Section 179, businesses would otherwise have to amortize the purchase price of any software or equipment investments over the life of the software. In other words, by using Section 179 you get the full tax deduction upfront improving your cashflow this year and allowing you to invest in your business. The deduction cap for 2022 software purchases is \$1,080,000, and in order to qualify, the software must be implemented in 2022.

YOU NEED TO COMPLETE IMPLEMENTATION IN 2022

Get started right away. Contact us to demo [Accolent ERP's leading Cloud-based software](#) for distributors that can help you drive efficiency and cost effectiveness for your business. Act now to ensure that you qualify for the Section 179 deduction.



CONTACT US TODAY TO LEARN MORE

ADS Solutions is a leading provider of Cloud ERP software to small and medium-sized businesses.

Accolent ERP is optimized to serve the needs of building materials suppliers. Contact us for a quote or to schedule a demo.

Email info@adssolutions.com, or visit our website, [adssolutions.com](https://www.adssolutions.com).