



How to exceed your expectations and save on taxes

For more on this topic, go to www.dentaleconomics.com and search using the following key words: *dental technology, cone beam, CAD/CAM, X-rays, tax savings, Dr. Terry L. Myers.*

People who recently paid homage to the tax collector on April 15 may feel that they can rest on their returns until next year. But in fact, **with recent increases in the cap for the Section 179 tax deduction, now is the time to take action — TO ADD TECHNOLOGY TO YOUR PRACTICE** that counts toward your professional aspirations, your patients' dental health, and your tax savings.

Section 179 is particularly interesting to the technology-conscious practitioner. Section 179 allows businesses to deduct the full purchase price of qualifying equipment up to \$250,000, as long as it is put into service by Dec. 31, 2010. Next year, the allowable amount is expected to be significantly reduced.

A colleague of mine, Dr. David Collins of Lakewood, Colo., took the opportunity this year to improve his office technology, and he saved on taxes in the process. This year he added three diode lasers, staining and glazing equipment, and upgraded his existing CAD/CAM. When his older panoramic X-ray machine became unreliable, he had to decide whether to invest in a new 2-D pan or to upgrade to a 3-D scanner.

Dr. Collins explains, "I had started an implant continuum, and knowing the future of dentistry is in 3-D imaging, I just wanted to get ahead of the curve."

He purchased the same medium field of view cone beam scanner (Gendex GXCB-500™) that I did.

"It gives me views of both arches, the sinuses, and the TMJ, and this model costs less than the full field of view, making it an even more attractive option for me as a general dentist," says Dr. Collins.

He was aware of the Section 179 tax incentive. "We have been continually upgrading our technology, and this tax

deduction has been a very effective tool in the past. This year's increase was very encouraging, since I figured that the cap would be reduced sometime soon."

He emphasized that the decision to implement the cone beam, as well as his other technology, first and foremost was determined by the potential benefits to his patients and the expansion of the scope of his practice.

Dr. Collins says, "Mainly, I am focused on products and equipment that improve patient care, raise standards of care, and just make dentistry more enjoyable and less stressful for me and my patients."

The tax savings are an added incentive to achieve future professional goals while not breaking the budget. Certainly, technology counts toward increasing confidence in successful treatment outcomes, helping to educate patients, and facilitating case acceptance. But, dentists can't help but be excited about the opportunity, especially this year.

For example, dentists in the 35% tax bracket who add technology, such as cone beam imaging, to their practices can save almost \$31,000 in taxes. Waiting for next year to add equipment — when the allowed deduction amount may be reduced — adds up to a missed financial opportunity.

To discover more specifically how Section 179 or other tax deductions may assist in bringing more technology to your practice, contact your CPA or financial advisor.

Dr. Collins noted that in his practice he always tries to exceed his patients' expectations. This year, at least, we can add new technology, save money with the Section 179 deduction, and exceed our own expectations for excellence.

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