



RENTAL, SALES
PARTS AND SERVICE

March 9, 2009

To: Our Valued Customers
Subject: Depreciation Tax Law Changes For 2009

We had received a summary of Depreciation Tax Law changes for 2009 and thought we should share them with you. But first we must state this disclaimer:

Valley Tractor is not qualified Tax Consultant; and, we are not seeking to represent ourselves as one. Please, check with your own professional tax consultant to determine how any of these provisions may or may not, apply to you.

1. Depreciation Life- Agricultural equipment, purchased in 2009, may be depreciated over a five year term rather than in seven years as prior law required.
2. Additional First Year Depreciation- While not be available on used equipment, new farm equipment purchased in 2009 may be eligible for an additional first year depreciation of 50%.
3. The Section 179- Deduction of \$250,00 has been extended through December 31, 2009 for up to \$800,000 in purchases of qualifying property.

The revisions to Depreciation Tax Law, we have referenced were implemented through The American Recovery and Reinvestment Act Of 2009. We believe the changes are good news for our Valley Tractor customers; and, we are pleased to be able to share this news with you. Please check with your own tax consultant to determine how these changes may specifically benefit you.

Thanks For Your Business

Buell Hawkins
Owner/Manager