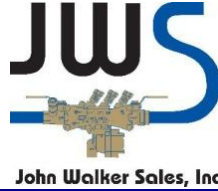


# THE WALKER REPORT



John Walker Sales, Inc.

Issue 2

November 2011

## EXCITING TAX BENEFIT: Section 179

NOW IS THE TIME TO SELL EQUIPMENT TO YOUR CUSTOMERS!!

Cost of Equipment:	\$8000.00
Section 179 Deduction:	\$8000.00
100% Bonus Depreciation Deduction: (on any remaining amount above \$500,000)	\$ 0.00
Normal 1st Year Depreciation:	\$ 0.00
Total First Year Deduction:	\$ 8000.00
Cash Savings on your Equipment Purchase: (assuming a 35% tax bracket)	\$ 2800.00
<b>Lowered Cost of Equipment after Tax Savings:</b>	<b>\$5200.00</b>

**"THIS SHOULD GET THEIR ATTENTION"**

**Read page 2 for the great deal**

*Continued on page 2*

## Pipe Freeze Protection..

**Raychem**



Gardian preassembled electric heating cables are intended for installation on metal or plastic water pipes for freeze protection in residential and commercial applications. Gardian 120 volt heating cables are available in 6-, 12-, 18-, 24-, 50-, 75-, and 100-foot lengths complete with a 30-inch power cord and plug. Gardian 240 volt heating cables are available in 6-, 12-, 18- and 24-foot lengths and are hard-wired.

WinterGard heating cable is a professional-grade, 3-watt/foot, self-regulating electrical cable that can be used for pipe freeze protection on small pipes. The heating cable is constructed of nickel-copper bus wires, a self-regulating conductive core, an insulating jacket and a tinned-copper braid. The benefits of using WinterGard self-regulating are many; it can be overlapped, cut to length, will not burn out and saves energy. The WinterGard pipe freeze protection system is UL Listed and CSA Certified for use in non hazardous areas.

The Frostex pipe freeze protection system prevents aboveground residential water pipes from freezing. The system includes a 3 watt per foot heating cable, 9800 FlexFit plug kit and 9610 application tape. The heating cable uses a self-regulating conductive core that reacts to changes in temperature. As the environment becomes colder, cable resistance decreases and more heat is generated. Conversely, as the environment warms, cable resistance increases and less heat is generated.

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**What is the Section 179 Deduction?** Most people think the Section 179 deduction is some arcane or complicated tax code. It really isn't, as the following will show you.

Essentially, Section 179 of the IRS tax code allows businesses to deduct the full purchase price of qualifying equipment and/or software purchased or financed during the tax year. That means that if you buy (or lease) a piece of qualifying equipment, you can deduct the FULL PURCHASE PRICE from your gross income.

It's an incentive created by the U.S. Government to encourage businesses to buy equipment and invest in themselves.

Several years ago, Section 179 was often referred to as the "SUV Tax Loophole" or the "Hummer Deduction" because many businesses have used this tax code to write-off the purchase of qualifying vehicles at the time (like SUV's and Hummers) - but that particular benefit of Section 179 has been severely reduced in recent years, see 'Vehicles & Section 179' for current limits on business vehicles.

Today, Section 179 is one of the few incentives contained in any of the recent Stimulus Bills that actually helps small business. Although large businesses also benefit from Section 179 or Bonus Depreciation, the original target of this legislation was much needed tax relief for Small Business - and millions of small businesses are actually taking action and getting real benefit.

**Essentially, Section 179 works like this:** When your business buys certain items of equipment, it typically gets to write them off a little at a time through depreciation. In other words, if your company spends \$50,000 on a machine, it gets to write off (say) \$10,000 a year for five years (these

numbers are only meant to give you an example). Now, while it's true that this is better than no write off at all, most business owners would really prefer to write off the entire equipment purchase price for the year they buy it. In fact, if a business could write off the entire amount, they might add more equipment this year instead of waiting. That's the whole purpose behind Section 179... to motivate the American economy (and your business) to move in a positive direction. For most small businesses (adding total equipment, software, and vehicles totaling less than \$500,000 in 2011), the entire cost can be written-off on the 2011 tax return.

For large businesses adding even more than \$500,000, the write-offs are just as substantial. See the following graphic for an example of the savings that is currently available to you after the 'Tax Relief Act of 2010' passed in December 2010.

**Limits of Section 179:** Section 179 does come with limits - there are caps to the total amount written off (\$500,000 in 2011), and limits to the total amount of the equipment purchased (\$2,000,000 in 2011). The deduction begins to phase out dollar-for-dollar after \$2 million is spent by a given business, so this makes it a true small and medium-sized business deduction.

After passage of the 'Tax Relief Act of 2010', large businesses that exceed the threshold of \$2 million in capital expenditure can take a Bonus Depreciation of 100% on the amount that exceeds the above limit. Nice.

\*Information taken from: <http://www.section179.org/>

## Wilkins Lead-Free Plumbing Products

Clean, untainted drinking water is of vital importance to every individual, especially our children. New regulations, regarding lead in drinking water, will be in effect starting January in the state of Maryland. Wilkins is at the forefront of offering plumbing products that do not leach lead into our drinking water. Wilkins complete Lead-Free product line of Backflow Preventers, Water Pressure Reducing Valves, Thermostatic Mixing Valves, Strainers, Ball Valves, Dielectric Unions and other plumbing products are available and will comply with the new state legislation and health codes.

California and Vermont were the first states to adopt laws requiring Lead Free plumbing products for the distribution of water for cooking and drinking. The term "Lead Free" has been defined by legislation to mean that a plumbing product contains not more than a weighted average of 0.25% lead on the wetted surfaces.

Wilkins, a leader in the plumbing products industry, has taken a proactive approach by offering products that meet & exceed these stringent requirements. From new alloys to corrosion resistant composites, you can trust Wilkins for superior quality & design.

Look for the new Wilkins Lead-Free "XL" logo on product packaging, specification sheets and other media.



### Lead-Free Backflow Preventers



Green Handles on Small Backflow Products Help Identify Lead-Free Products Quickly

### Lead-Free Pressure Reducing Valves



Green Tag Lettering and XL in the Casting Identifies Lead-Free on NR3XL

### Lead-Free Thermostatic Mixing Valves



Green Cap and XL in the Casting Identify Lead-Free on The ZW3870XLT-4P



\*\*\*Please let us know if there is a question you would like answered in our next newsletter \*\*\*

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## QUESTIONS AND ANSWERS

### Why do I need a pressure reducing valve?

The Uniform Plumbing Code requires a pressure reducing valve on all plumbing systems exceeding 80 psi. Additionally, irrigation systems may require a reducing valve if pressures exceed 70 psi. This requirement will prevent damage of the piping system due to excessive pressures.

### Why doesn't my regulator reduce the pressure?

The valve probably has debris on the seal ring and seat. This is not an uncommon situation. There will always be a significant amount of debris created when a plumbing system is under construction. Cleaning the regulator and flushing the system help reduce the probability of "fouling" due to debris within the system

### How do I test my regulator?

The easiest way to test a regulator is to install pressure gages upstream and downstream of the valve. If the gages show equal pressures, most likely the regulator has become fouled by debris. Open a fixture downstream of the valve such as the kitchen sink, outside hose bibb, etc. Then, close the fixture and observe the downstream gage. A steady rapid increase points to a fouled regulator. A slow rise of pressure on the downstream side may be caused by thermal expansion. Consult the installation instructions for more troubleshooting tips.

### Can I repair my regulator?

All WILKINS regulators can be repaired provided the body is still in a repairable condition. A repair kit is available and can be installed without removing the body from the system. These kits contain all of the parts necessary to repair any WILKINS regulator.

## **JM-3055 Gas Jet**

***The most flow you can get  
without a holding tank.***



The JM-3055 has the power to clear your most stubborn stoppages, including grease, sand and ice. Its 3000 psi, 5.5 gpm triplex pump has the thrust to pull the hose down long runs, the pressure to cut through tough stoppages, and the flow to flush them away. In fact, the JM-3055 has the highest flow rate available without requiring a holding tank. It's driven by a 480 cc Briggs and Stratton Vanguard engine with electric start. The pump features Vibra-pulse® on demand to help the hose slide around tight bends and down long runs. The

JM-3055 is well balanced so that with little effort, the machine can be tipped back on its rear wheels to more easily maneuver it into position. A removable 300 ft. capacity hose reel with drag brake, reel lock, and swivel is mounted on a heavy duty frame with four 13" pneumatic tires. A wheel brake keeps the machine solidly positioned on the job.

Standard safety features include a thermal relief valve to protect the pump from heat damage, along with a back flow check valve and inlet filter. Complete with tool box, chemical injector, and spray wand with trigger.

***Jet-Set™***

***Slice through grease, sludge, sand, and ice.***