

What's
New?



Sage Fixed Assets 2012.1

sage

Table of Contents

| | |
|--|----------|
| Overview | 1 |
| Product Name Rebranding | 2 |
| Sage Fixed Assets - Depreciation: Tax Law Updates | |
| Updated Tax Forms and Worksheets | 2 |
| Updated Tax Limits | 3 |
| Luxury Auto Limits | 3 |
| Light Trucks and Van Limits | 3 |
| Section 179 Limits | 3 |
| Updated Audit Advisor | 4 |
| How to Get This Release | 4 |



Overview

Welcome to the Sage Fixed Assets 2012.1 Tax Update! Designed to provide you with the most up-to-date functionality and tax legislation, this version contains exciting new features and enhancements to your Sage Fixed Assets solution.

The following changes apply to our industry-leading fixed assets solution:

- **New Product Names.** We have changed the names of all of our Sage Fixed Assets products.
- **Sage Fixed Assets – Depreciation: Tax Law Updates.** We have updated the Sage Fixed Assets program to comply with the latest tax law changes:
- **Updated Tax Forms.** The 2012.1 tax update includes the updated IRS Form 4562 – Depreciation and Amortization for 2011.
- **Updated Tax Limits.** The 2012.1 tax update complies with the scheduled updates to the Section 179 limits and luxury auto limits.
- **Updated Sec 179 Limits for Qualified Disaster Zone Property.** The 2012.1 tax update includes Section 179 dollar limits for the Qualified Disaster Zone.
- **Updated Audit Advisor.** We have updated Audit Advisor to check for real property that may be qualified for the Section 179 expense deduction.

Product Name Rebranding

Our commitment to delivering high quality business solutions has not changed; however, we have renamed all of our fixed assets solutions in an effort to standardize the Sage brand throughout North America. For your convenience, the table below lists the previous name and new name of each application:

| Previous Name | New Name |
|--------------------------|--|
| FAS 50 Asset Accounting | Sage Fixed Assets - Lite Depreciation |
| FAS 100 Asset Accounting | Sage Fixed Assets - Depreciation |
| FAS 500 Asset Accounting | Sage Fixed Assets - Premier Depreciation |
| FAS 100 Asset Inventory | Sage Fixed Assets - Tracking |
| FAS 500 Asset Inventory | Sage Fixed Assets - Premier Tracking |
| FAS 100 CIP Accounting | Sage Fixed Assets - Planning |
| FAS 500 Asset Accounting | Sage Fixed Assets - Premier Planning |
| FAS Report Writer | Sage Fixed Assets - Reporting |

Sage Fixed Assets - Depreciation Tax Law Updates

Updated Tax Forms

The IRS changes many tax laws each year. As a result, the corresponding tax forms and worksheets may change moderately or significantly. Sage Business Care members receive the updated forms and worksheets each year as part of the annual tax update; enabling them to get the greatest savings and most benefit from the recent tax law changes.

This year, the IRS Form 4562 – Depreciation and Amortization has been updated for the 2011 tax year.

To run the tax forms and worksheets

- Calculate depreciation through the end of the fiscal year.
- Select Tax Forms and Worksheets from the Reports menu.
- Select the desired tax form or worksheet.
- Complete the fields on the dialog box, and then click the Execute button.

Updated Tax Limits

The IRS routinely modifies the depreciation limits for certain automobiles to adjust for inflation and other factors. If you use vehicles in your business, these changes can have significant tax implications.

Luxury Auto Limits

The depreciation limits in effect for automobiles placed in service in 2012 are as follows:

Year 1: \$11,160*

Year 2: \$5,100

Year 3: \$3,050

Year 4: \$1,875

* If you elect out of the 168 Allowance for the automobile, the depreciation limitation is \$3,160 for the first year.

Light Trucks and Vans Limits

The depreciation limits for light trucks and vans placed in service in 2011 are as follows:

Year 1: \$11,360*

Year 2: \$5,300

Year 3: \$3,150

Year 4: \$1,875

* If you elect out of the 168 Allowance for the truck or van, the depreciation limitation is \$3,360 for the first year.

Section 179 Limits

The maximum Section 179 limit is \$139,000 for assets placed in service in the tax year beginning in 2012. In addition, the maximum cost of Section 179 property that can be placed in service in the year before the phase-out begins is \$560,000 for the tax year beginning in 2012.

Increased Sec 179 Limits for Qualified Disaster Zone Property

The Emergency Economic Stabilization Act of 2008 provides for increased Section 179 limits for assets located in a Qualified Disaster Zone. The Section 179 limit for 2012 is \$239,000 (\$139,000 plus the cost of the Disaster Zone property, limited to \$100,000).

Updated Audit Advisor

Audit Advisor helps you locate assets that may not comply with IRS regulations or that may contain incorrect information. When you run Audit Advisor, the system displays a report indicating if any of your assets could be in non-compliance with the IRS regulations. If Audit Advisor finds potential problems with your data, the system creates a group of assets for your review. You can examine each asset in the group and decide if you need to make any changes in the asset data. This could save you the hassle and inconvenience of an audit and potentially save you thousands of dollars in fines and penalties.

This year, we have enhanced Audit Advisor by adding a new validation:

Section 179 for Qualified Real Property. In tax years beginning in 2010 and 2011, you can elect to deduct up to \$250,000 Section 179 expense on qualifying real property each year. Specifically the real property must be qualified leasehold improvement property, qualified restaurant property, or qualified retail improvement property. The deduction on real property is subject to the same Section 179 phase-out rules as for personal property and does not apply to nonresidential real or residential rental property.

The Section 179 deduction on qualifying real property is limited to business income. You can carry over a 2010 deduction to 2011 that was disallowed due to the business income limitation; however, you cannot carry over disallowed amounts to tax years beginning after 12/31/11. If your 2010 carryover cannot be deducted in 2011 due to the business income limitation, then the 2010 carried-over amount must be treated as property placed in service on the first day of the 2011 tax year for purposes of computing depreciation.

To get started, just look for Audit Advisor in the navigation pane on the left side or on the menu bar under Depreciation.

How to get this Release

In order to expedite the process of getting the latest version of our solutions to you, Sage Fixed Assets 2012.1 will be available to Sage Business Care members via download only through the new Sage Customer Portal (<https://customers.sagenorthamerica.com/>). The software will not be automatically shipped to you as in the past.

You may purchase Sage Fixed Assets 2012.1 on DVD for a nominal charge if you wish.