The ‘One Big Beautiful Bill’

What office technology dealers need to know now

by: Tim Schatz, Technology Assurance Group (TAG)

As office technology dealers and managed IT services providers navigate a rapidly changing technology landscape, one truth has become increasingly clear: Profitability is no longer just about selling hardware — it is about timing investments wisely and structuring businesses for long-term value. After overseeing more than $1 billion in products and services in the managed IT services and office technology space, we at Technology Assurance Group (TAG) have learned how vital regulatory and legal frameworks can be for dealers. However, while most dealers recognize the need to understand these regulations and are willing to act, they welcome complex legislation explained in plain language — not verbose legalese.

The recently passed One Big Beautiful Bill Act (OBBBA) introduces several tax provisions that — while complex on the surface — offer powerful, practical advantages for office technology dealers who understand how to use them strategically. For dealers investing in managed IT services, cybersecurity, automation or considering a future sale, this legislation represents a meaningful inflection point. This bill is not about politics — it is about options. It rewards companies that reinvest in technology, people and intellectual property rather than “standing still.”

Why This Matters to Dealers — Specifically

Office technology dealerships transitioning into managed IT services are in a unique position. Many are:

- Investing heavily in network infrastructure, security tools and automation
- Hiring technical staff and building recurring revenue
- Modernizing their fleets, software platforms and internal systems

The OBBBA recognizes and incentivizes exactly this type of evolution. While this article will not provide an exhaustive list of benefits, we have isolated a few of the most relevant to office technology dealers.

Section 179: Accelerating Growth Without Straining Cash Flow

Under the updated law, Section 179 expensing has been permanently expanded, allowing businesses to immediately expense up to $2.5 million in qualifying equipment, with phaseouts beginning at $4 million in total purchases. For office technology dealerships, this means:

- Servers, networking gear, cybersecurity, production print equipment and even certain software can be fully deducted up front.
- Capital investments no longer need to be depreciated slowly over many years.
- Dealers can modernize fleets or IT infrastructures without waiting for long ROI cycles.

In practical terms, Section 179 allows dealerships to invest like larger enterprises while maintaining SMB agility.

Bonus Depreciation Is Back — And It Is Permanent

Many office technology dealers recognize the potential they have to build managed IT revenue, and bonus depreciation is one tax mechanism that can remove friction from scaling operations at the exact moment demand is accelerating.

The OBBBA also reinstates 100% bonus depreciation, applying to property placed in service beginning in 2025 and beyond — this time without a sunset clause.

Why this matters:

- Dealers can stack bonus depreciation on top of Section 179.
- Large infrastructure upgrades, like data centers, security platforms and internal automation, can be executed more quickly.
- This dramatically improves cash flow, especially for growing office technology dealerships.

Retroactive R&D Credits: A Hidden Win for Dealers Expanding Into IT

Many dealers do not realize that they already qualify for R&D tax credits. If your organization has been developing standardized onboarding processes, building IT/cybersecurity frameworks, automating service delivery and engineering repeatable managed IT offerings, it may qualify as performing domestic research and development.

The OBBBA restores immediate expensing of domestic R&D costs and allows small businesses under $25 million in revenue to retroactively apply these credits for tax years 2022 to 2024. This means:

- Past investments may suddenly generate refunds.
- Innovation is no longer penalized by delayed deductions.
- Managed IT expansion becomes significantly more affordable.

As office technology dealerships continue converging with financial strategy, the dealers who win will be the ones who understand not just what to buy, but when and why.

QSBS: Why This Matters, Even If You Are Not Selling Yet

Perhaps the most overlooked provision for office technology dealers is the expansion of Qualified Small Business Stock (QSBS). The updated law increases the QSBS exclusion from $10 million to $15 million, raises the corporate asset cap from $50 million to $75 million, and introduces tiered tax-free exits: 50% exclusion after three years, 75% after four years and 100% after five years. For dealers quietly building toward a $10-million to $30-million valuation, this is not a theoretical benefit —it is foundational.

Managed IT services, recurring revenue and intellectual property are exactly the types of assets that can benefit most from QSBS treatment when structured correctly.

The Bigger Picture: Strategy Beats Tactics

The OBBBA does not just lower taxes — it rewards foresight. Dealers who understand how these provisions work together can:

- Reinvest more aggressively
- Modernize more quickly than competitors
- Increase enterprise value
- Exit with significantly less tax friction

Those who ignore it may unknowingly overpay, under-invest or structure growth inefficiently.

A Trusted Guide Through Complexity

Tax law is not the core competency of office technology dealers and it should not be. What matters is having trusted partners who can translate complexity into action.

As office technology dealerships continue converging with financial strategy, the dealers who win will be the ones who understand not just what to buy, but when and why. This legislation makes one thing clear: The system now favors dealers who invest, innovate and think long term. ■

Tim Schatz is executive vice president and a partner at Technology Assurance Group (TAG), an organization of managed technology service providers (MTSPs). Collectively, TAG's members do more than $800 million per year in IT, cybersecurity, telecommunications, video surveillance, access control and MFPs. They are located in 150 marketplaces across the United States and Canada, and are presently serving more than 780,000 SMBs. Schatz is responsible for providing financial analysis, industry benchmarking, KPIs, and M&A advice and counseling to TAG members. In addition, he is a partner at TAG's MTSP, i-NETT, located in Southern California. Schatz can be reached at tim@tagnational.com. Visit www.tagnational.com.