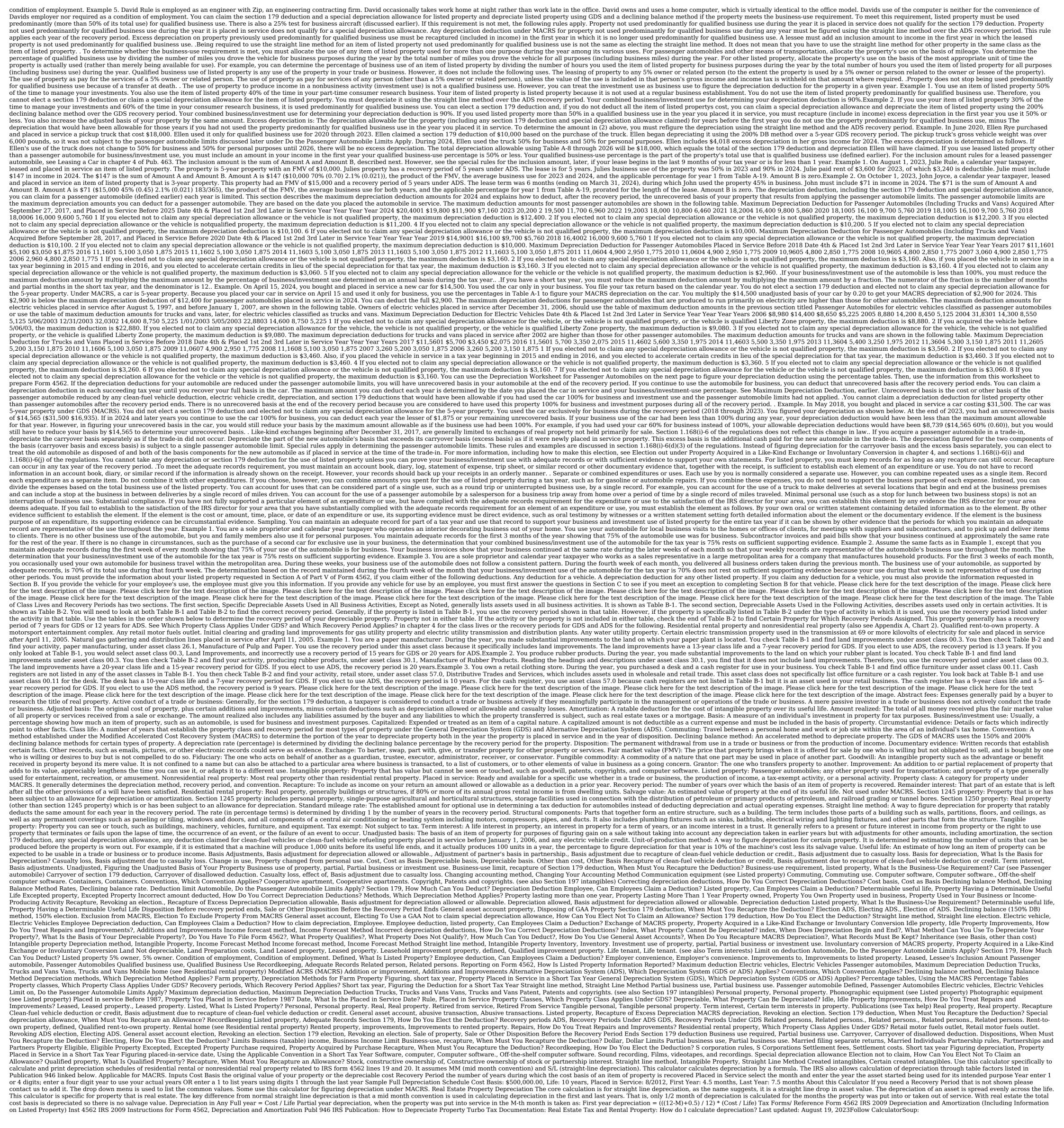
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For rental property owners, understanding depreciation is an important consideration for maximizing tax benefits and maintaining compliance with IRS regulations. This tax deduction allows property owners to account for the wear and tear on their investment over time, potentially saving thousands of dollars annually in tax liability. However,
working through the complexities of rental property depreciation requires careful attention to the rules and reporting requirements. Property owners use depreciation requires the property to be owned, used for income, and have a determinable useful life. The
modified accelerated cost recovery system (MACRS) is commonly used to depreciation involves determining the properties. Calculating depreciation involves determining the properties and applying the right method. Depreciation involves determining the property system (MACRS) is commonly used to depreciation involves determining the properties.
due to wear and tear, age, and obsolescence. For rental properties, it creates a tax deduction that owners use to recover some of the cost of their investment over time. Rather than deduction that owners use to recover some of the cost of their investment over time. Rather than deduction across what it considers the property's useful life.
Depreciation of rental properties has evolved since its 1913 introduction in the U.S. tax code. While owners initially estimated their properties reflects a fundamental principle in tax established in 1986. Using depreciation for rental properties reflects a fundamental principle in tax established in 1986.
law, namely that rental properties generate income over many years and their costs should be allocated across those years. While properties often appreciate over time, depreciation is recognized for tax purposes given the ongoing costs of aging structures and mechanical systems, even in rising markets. Not all properties automatically qualify for
depreciation. To be eligible, the IRS states that a property must meet specific criteria: The property owner must own the property outright, including if it's subject to a mortgage. Renters, lessees, and property must be used in a business or income-producing activity, such as rental
operations. Personal residences or vacation homes used primarily by the owner aren't eligible unless they meet strict rental use requirements. The modified accelerated cost recovery system (MACRS) is a standard method for
depreciating residential rental properties in the U.S. Under MACRS, properties are assigned a recovery period of 27.5 to 30 years. There are two variations of MACRS made, this choice is
final throughout the property's useful life. GDS is the standard method that most property owners use, and it is automatically applied unless ADS is specifically elected or required. GDS provides a recovery period of 27.5 years (330 months) for residential rental properties and uses the straight-line depreciation method, meaning the depreciation
deductions should be the same each year. Other assets used for rental activitiessuch as appliances, fixtures, and furniturecan be depreciated using the accelerated methods under GDS (like the 200% declining balance method), which yield larger deductions in the earlier years. However, residential rental rental rental estate must always use the straight-line
method. ADS extends the period of useful life to 30 years (or up to 40 years for those placed in service before 2018), using the straight-line method for the property and any assets within it. While this means smaller annual deductions than GDS, ADS may be preferable or required in certain situations, such as:Properties used predominantly outside these than GDS, and the property and any assets within it.
U.S. Tax-exempt use properties of business entities (e.g., when owned by certain types of business entities (e.g., when owned by real estate investment trusts) Properties used by foreign persons or entities not subject to U.S. income taxes The process of calculating depreciation begins with determining your property's cost basis.
This is the purchase price plus certain capitalized costs, including closing costs, fees, and any capital improvements made before or shortly after placing the property in service. From this total, you subtract the value assigned to the land (since land is not depreciable). The resulting figure is your depreciable basis, which is the starting amount youll
use for the depreciation period. Step 1: Compute the Depreciable Basis Suppose you purchase a rental property with the following details: Purchase price: $250,000Closing costs: $5,000 (includes legal fees, commissions, transfer taxes, recording fees, title insurance, etc.) Capital improvements: $10,000 (e.g., initial minor renovations and repairs) Total
initial cost: $250,000+$5,000+$5,000+$5,000+$10,000=$265,000 (non-depreciable) Depreciable Basis = Total Initial Cost - Land Value = $265,000 + $70,000 = $195,000 Step 2: Determine the Annual Depreciation (if
placed in service for a full year) is calculated as follows: Annual Depreciation = (Depreciation Basis / 27.5) = $7,090.91 per worth) Step 3: Apply the MidMonth Convention Residential rental property is often depreciated using the midmonth convention. This means that regardless of when the actual service or
lease date is during a month, the IRS treats the property as placed in service in the middle of that month. Lets assume the property is placed in service on April 15: First Year Depreciate from the midpoint (April 15) through Dec. 31, about 8.5 months First year depreciation: $591 8.5 = $5,023.50 Subsequent Full Years A full 12 months of depreciation
= $7,092 Final Year The remaining depreciation is needed to fully recover the $195,000 basis. Since you used 8.5 months in each of the following 26 full years, youve depreciation: $591 9.5 = $5,614.50 YearMonths
Depreciated Depreciation Expense 18.5 $590.92 8.5 $5,023212 $590.92 9.5 $5,614 Total 330 $195,000 Depreciation must be reported on IRS Schedule E and filed with your tax return. This form details rental income and expenses, including depreciation deductions. Note that depreciation is mandatory for rental properties,
even if you choose not to claim it. The IRS will still assume you've taken the deduction when calculating depreciation recapture taxes upon the property's sale. When you sell a rental property, the IRS will reclaim part of the tax benefit you received from depreciation by taxing it at a rate of up to 25%. In essence, it recaptures those depreciation
deductions by taxing that amount as ordinary income (up to certain limits). Say you purchased a rental property for $200,000 ($160,000 for the building + $40,000 for the building + $4
$46,545 in depreciation you claimed is "recaptured" and taxed at up to 25%. Your maximum tax is $11,636. The remaining gain of $50,000 ($96,545 net gain - $46,545) is taxed at capital gains rates (typically 15% for most taxpayers). Recapture applies whether or not you actually claimed the depreciation deductions you were entitled to take. Failing
to separate land value from the building's value is a frequent error. Remember, land can't be depreciated, and failing to make this distinction can result in incorrect deductions. Another common error is neglecting to start depreciation from the date the property is placed in service rather than the purchase date. Some owners also forget to account for
improvements separately from repairs. While repairs are immediately deductible, improvements must be depreciated over time. Rental property depreciation offers significant tax advantages for landlords, but it requires careful attention to detail and thorough record-keeping. While the concepts may seem complex, understanding the basics of
depreciation can help you maximize your tax benefits while maintaining compliance with IRS regulations. Working with qualified tax professionals can help ensure you're taking full advantage of depreciation benefits while avoiding the common pitfalls. Publication 946 - Introductory Material Overview of Depreciation Electing the Section 179
Deduction Claiming the Special Depreciation Allowance Figuring Depreciation Under MACRS Additional Rules for Listed Property How To Get Tax Help Publication 946 - Additional Material For use in preparing Returns For the latest information about developments related to Pub. 946, such as legislation enacted after it was published, go to
IRS.gov/Pub946. Section 179 deduction dollar limits. For tax years beginning in 2024, the maximum section 179 property placed in service during the tax year exceeds $3,050,000. See Dollar Limits in chapter 2.Also, the maximum section 179
expense deduction for sport utility vehicles placed in service in tax years beginning in 2024 is $30,500. Phase down of special depreciation allowance is 60% for certain qualified property acquired after September 27, 2017, and placed in service after December 31, 2023, and before January 1, 2025 (other than
certain property with a long production period and certain aircraft). Property with a long production period and certain aircraft placed in service after December 31, 2023, and before January 1, 2025, is eligible for a special depreciation allowance is also 60% for
certain specified plants bearing fruits and nuts planted or grafted after December 31, 2023, and before January 1, 2025. See Certain Qualified Property Acquired After September 27, 2017 and Certain Plants Bearing Fruits and Nuts under What Is Qualified Property? in chapter 3. Section 179 deduction dollar limits. For tax years beginning in 2025,
the maximum section 179 expense deduction is $1,250,000. This limit is reduced by the amount by which the cost of section 179 expense deduction for sport utility vehicles placed in service in tax years beginning in 2025 is $31,300. Phase down of
special depreciation allowance. The special depreciation allowance is 40% for certain qualified property with a long production period and certain property with a long production period and certain qualified property with a long production period and certain period 
aircraft placed in service after December 31, 2024, and before January 1, 2026, the special depreciation allowance is 60%. The special depreciation allowance is 60%. The special depreciation allowance is 60%. The special depreciation allowance is 60%.
September 27, 2017 and Certain Plants Bearing Fruits and Nuts under What Is Qualified Property? in chapter 3. Additions to 5-year property. Any qualified property (as defined in subsection (b)(2) of section 48E of the Internal Revenue Code) which is a qualified
investment (as defined in subsection (b)(1) of such section), or any energy storage technology (as defined in subsection (c)(2) of such section) that is placed in service after December 31, 2024, is 5-year property. Photographs of missing & Exploited
Children (NCMEC). Photographs of missing children selected by the Center may appear in this publication on pages that would otherwise be blank. You can help bring these children home by looking at the photographs and calling 1-800-THE-LOST (1-800-843-5678) if you recognize a child. This publication explains how you can recover the cost of
business or income-producing property through deductions for depreciation (for example, the special depreciation allowance and deductions how you can elect to take a section 179 deduction, instead of depreciation deductions, for certain property and the additional
rules for listed property. .The depreciation methods discussed in this publication generally do not apply to property placed in Service Before 1987. For more information, see Pub. 534, Depreciating Property Placed in Service Before 1987. For more information, see Pub. 534, Depreciation and suggestions for future
editions. You can send us comments through IRS.gov/FormComments. Or, you can write to the Internal Revenue Service, Tax Forms and Publications, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Although we cant respond individually to each comment received, we do appreciate your feedback and will consider your comments and
suggestions as we revise our tax forms, instructions, and publications. Dont send tax questions, tax returns, or payments to the above address. Depreciation is an annual income tax deduction that allows you to recover the cost or other basis of certain property over the time you use the property. It is an allowance for the wear and tear, deterioration,
or obsolescence of the property. This chapter discusses the general rules for depreciated? What property can be depreciated? What property cannot be depreciate
property? How do you treat repairs and improvements? Do you have to file Form 4562? How do you correct depreciation for Loss From (and Instructions) Sch C (Form 1040) Profit or Loss From to see: Publication 534 Depreciation for Loss From (and Instructions) Sch C (Form 1040) Profit or Loss From (and Instructions) Sch C (Form 1040) Profit or Loss From (and Instructions) Sch C (Form 1040) Profit or Loss From (and Instructions) Sch C (Form 1040) Profit or Loss From (and Instructions) Sch C (Form 1040) Profit or Loss From (and Instructions) Sch C (Form 1040) Profit or Loss From (and Instructions) Sch C (Form 1040) Profit or Loss From (and Instructions) Sch C (Form 1040) Profit or Loss From (and Instructions) Sch C (Form 1040) Profit or Loss From (and Instructions) Sch C (Form 1040) Profit or Loss From (and Instructions) Sch C (Form 1040) Profit or Loss From (and Instructions) Sch C (Form 1040) Profit or Loss From (and Instructions) Sch C (Form 1040) Profit or Loss From (and Instructions) Sch C (Form 1040) Profit or Loss From (and Instructions) Sch C (Form 1040) Profit or Loss From (and Instructions) Sch C (Form 1040) Profit or Loss From (and Instructions) Sch C (Form 1040) Profit or Loss From (and Instructions) Sch C (Form 1040) Profit or Loss From (and Instructions) Sch C (Form 1040) Profit or Loss From (and Instructions) Sch C (Form 1040) Profit or Loss From (and Instructions) Profit or Loss From (and 
Business 2106 Employee Business Expenses 3115 Application for Change in Accounting Method 4562 Depreciation and Amortization See How To Get Tax Help at the end of this publication for information about getting publications and forms. You can depreciate most types of tangible property (except land), such as buildings, machinery, vehicles,
furniture, and equipment. You can also depreciate certain intangible property, such as patents, copyrights, and computer software. To be depreciable, the property must meet all the following requirements. It must be property you own. It must be useful life. It must be
expected to last more than 1 year. The following discussions provide information about these requirements. To claim depreciation, you must usually be the owner of the property and assumed the previous owner's
mortgage. You own the property and you can depreciate it. Example 2. You bought a new van that you will be making payments on the van over the next 5 years. You own the van and you can depreciate it. Example 2. You bought a new van that you will be making payments on the van over the next 5 years. You own the van over the next 5 years. You own the van over the next 5 years. You own the van over the next 5 years. You own the van over the next 5 years. You own the van over the next 5 years. You own the van over the next 5 years. You own the van over the next 5 years. You own the van over the next 5 years. You own the van over the next 5 years. You own the van over the next 5 years. You own the van over the next 5 years. You own the van over the next 5 years. You own the van over the next 5 years. You own the van over the next 5 years. You own the van over the next 5 years. You own the van over the next 5 years. You own the van over the next 5 years. You own the van over the next 5 years. You own the van over the next 5 years. You own the van over the next 5 years. You own the van over the next 5 years. You own the van over the next 5 years. You own the van over the next 5 years. You own the van over the next 5 years. You own the van over the next 5 years. You own the van over the next 5 years. You own the van over the next 5 years. You own the van over the next 5 years. You own the van over the next 5 years. You own the van over the next 5 years. You own the van over the next 5 years. You own the van over the next 5 years. You own the van over the next 5 years. You own the van over the next 5 years. You own the van over the next 5 years. You own the van over the next 5 years. You own the van over the next 5 years. You own the van over the next 5 years. You own the van over the next 5 years. You own the van over the next 5 years. You own the van over the next 5 years. You own the van over the next 5 years. You own the van over the next 5 years. You own the van over the next 5 years. You own the van over the years 
property (explained below). This means you bear the burden of exhaustion of the capital investment in the production of income, generally you cannot depreciate its cost because you do not retain the incidents of ownership. You can, however, depreciate
any capital improvements you make to the property. See How Do You Treat Repairs and Improvements, later in this chapter, and Additions and Improvements under Which Recovery Period Applies? in chapter 4. If you lease property to someone, you can generally depreciate its cost even if the lessee (the person leasing from you) has agreed to
preserve, replace, renew, and maintain the property. However, if the lease provides that the lease is to maintain the property and return to you the same property or its equivalent in value at the expiration of the lease in as good condition and value as when leased, you cannot depreciate the cost of the property. Cooperative apartments. If you are a
tenant-stockholder in a cooperative housing corporation and use your cooperative apartment in your business or for the production of income, you can depreciate your stock in the corporation for all the depreciable real property
owned by the corporation in which you have a proprietary lease or right of tenancy. If you bought your cost per share by the total number of outstanding shares, including any shares held by the corporation. Add to the amount figured in (a)
any mortgage debt on the property on the date you bought the stock. Subtract from the amount figured in (1) any depreciation for space owned by the corporation that can be rented but cannot be lived in by tenant-
stockholders. Divide the number of your shares of stock by the total number of outstanding shares, including any shares held by the corporation. Multiply the result of (2) by the percentage you figured in (3). This is your depreciation on the stock.
of the corporation that is allocable to your business or income-producing property. You must also reduce your depreciation of the property is used in a business or for the production of income. Example. You figure your share of the cooperative housing corporation to be $30,000. Your adjusted basis in the
stock of the corporation is $50,000. You use one-half of your apartment solely for business purposes. Your depreciation on property, you must use it in your business or income-producing activity. If you use property to produce income (investment
use), the income must be taxable. You cannot depreciate property that you use solely for personal activities. Inventory is any property you hold primarily for sale to customers in the ordinary course of your business. If you are a rent-to-own dealer, you may be
able to treat certain property held in your business as depreciable property rather than as inventory. See Rent-to-own dealer under Which Property is held for sale (inventory) or for use in your business. If it is unclear, examine carefully all the facts in the operation
of the particular business. The following example shows how a careful examination of the facts in two similar situations results in different conclusions. Example. Maple corporation is in the business of leasing cars. At the end of their useful lives, when the cars are no longer profitable to lease, Maple sells them. Maple does not have a showroom, used
car lot, or individuals to sell the cars. Instead, it sells them through wholesalers or by similar arrangements in which a dealer's profit is not intended or considered. Maple can depreciate the leased cars because the cars are not held primarily for sale to customers in the ordinary course of business, but are leased. If Maple buys cars at wholesale
prices, leases them for a short time, and then sells them at retail prices or in sales in which a dealer's profit is intended, the cars are held primarily for sale to customers in the ordinary course of business. To be depreciable, your property must have a determinable
useful life. This means that it must be something that wears out, decays, gets used up, becomes obsolete, or loses its value from natural causes. To be depreciable, property must have a useful life that extends substantially beyond the year you place it in service. Example. You maintain a library for use in your profession. You can depreciate it.
However, if you buy technical books, journals, or information services for use in your business that have a useful life of 1 year or less, you cannot depreciate them. Instead, you deduct their cost as a business expense. Certain property cannot depreciate them.
because land does not wear out, become obsolete, or get used up. The cost of land generally includes t
associated with other depreciable property that you can determine a life for them along with the life of the associated property. Example. You constructed a new building for use in your business and trees were planted right next to the building, while others
were planted around the outer border of the lot. If you replace the building, you would have to destroy the bushes and trees are closely associated with the building, you would have to destroy the bushes and trees are closely associated with the building, so they have a determinable useful life. Therefore, you can depreciate them. Add your other land preparation costs to the basis of your land
because they have no determinable life and you cannot depreciate them. Even if the requirements explained in service and disposed of in the same year. Determining when property is placed in service is explained later. Equipment used to build capital
improvements. You must add otherwise allowable depreciation on the equipment during the period of construction to the basis of your improvements. See Uniform Capitalization Rules in Pub. 551. Section 197 intangibles. You must amortize these costs. Intangible property, such as certain computer software, that is not section 197 intangible
property, can be depreciated if it meets certain requirements. See Intangible Property, later. Certain term interests. You begin to depreciate your property when you have fully recovered your cost or other basis or when
you retire it from service, whichever happens first. You place property in service when it is ready and available for a specific use, whether in a business activity, an income-producing activity, an income-producing activity, an activity, an income-producing activity, and available for its specific use. Example 1.
You bought a machine for your business. The machine was delivered last year. However, it was not installed and operational until this year. It is considered placed in service last year even if it was not actually used until this
year. Example 2. On April 6, Sue Thorn bought a house to use as residential rental property. Sue made several repairs and had it ready for rent on July 5. At that time, Sue began to advertise it for rent in the local newspaper. The house is considered placed in service in July when it was ready and available for rent. Sue can begin to depreciate it in
July. Example 3. James Elm is a building contractor who specializes in constructing office buildings. James bought a truck last year that had to be modified to lift materials to second-story levels. The installation of the lifting equipment was placed in
a product made with that machine, continue to deduct depreciation on the machine. You stop depreciation on the machine your section 179 deduction, allowed or allowable depreciation deductions, and salvage value, if applicable, equal the cost or investment in the
property. See What Is the Basis of Your Depreciable Property when you retire it from service, even if you have not fully recovered its cost or other basis. You retire property from service when you permanently withdraw it from use in the production of income because of any of
when you dispose of that property. You must use the Modified Accelerated Cost Recovery System (MACRS) to depreciate most property. Property you placed in service before 1987. Certain property owned or used in 1986. Intangible property. Films,
videotapes, and recordings. Certain corporate or partnership property acquired in a nontaxable transfer. Property you elected to exclude from MACRS. The following discussions describe the property you placed in service before 1987 (except
use the straight line method of depreciation. However, you can choose to depreciate certain intangible property under the income forecast method (discussed later). .You cannot depreciate intangible property that is a section 197 intangible or that does not otherwise meet all the requirements discussed earlier under What Property Can Be
Depreciated.. This method lets you deduct the same amount of depreciation each year over the useful life of your property. Subtract the salvage value, if any, from the adjusted basis. The balance is the total depreciation you can take
over the useful life of the property. Divide the balance by the number of years in the useful life, this amount will stay the same throughout the time you depreciate the property. If, in the first year, you use the property for less than a full year
you must prorate your depreciation deduction for the number of months in use. Example. In April, you bought a patent for $5,100 that is not a section 197 intangible. You depreciate the patent under the straight line method, using a 17-year useful life and no salvage value. You divide the $5,100 basis by 17 years to get your $300 yearly depreciation
deduction. You only used the patent for 9 months during the first year, so you multiply $300 by 9/12 to get your deduction of $225 for the full year. Computer software is generally a section 197 intangible and cannot be depreciated if you acquired it in connection with the
acquisition of assets constituting a business or a substantial part of a business. However, computer software is not a section 197 intangible and can be depreciated, even if acquired in connection with the acquisition of a business, if it meets all of the following tests. It is readily available for purchase by the general public. It is subject to a nonexclusive
 license. It has not been substantially modified. If the software meets the tests above, it may also qualify for the section 179 deduction and the special depreciation allowance, discussed later in chapters 2 and 3. If you can depreciate the cost of computer software, use the straight line method over a useful life of 36 months. Certain created intangibles
association membership, are eligible costs. The following are not eligible. Any intangible asset that has a useful life that can be estimated with reasonable accuracy. Any intangible asset that has an amortization period or limited useful life that is specifically prescribed or
prohibited by the Internal Revenue Code, regulations, or other published IRS guidance. Any amount paid to facilitate an acquisition of a trade or business, a change in the capital structure of a business entity, and certain intangibles
related to benefits arising from the provision, production, or improvement of real property. For this purpose, real property that will remain attached to the real property for an indefinite period of time, such as roads, bridges, tunnels, pavements, and pollution control facilities. You can choose to use the income forecast method
instead of the straight line method to depreciate the following depreciable intangibles. Motion picture films or videotapes. Sound recordings. Copyrights. Books. Patents. Under the income forecast method, each year's depreciation is the current year's
net income from the property, and the denominator is the total income anticipated from the property through the end of the 10th tax year following the tax years following the
corporation or partnership (except property the transferor placed in service after July 31, 1986, if MACRS was elected) to the extent its basis is carried over from the property's adjusted basis in the transferor had not occurred
However, if MACRS would otherwise apply, you can use it to depreciate the part of the property's basis that exceeds the carried-over basis. The nontaxable transfers covered by this rule include the following. A distribution in complete liquidation of a subsidiary. A transfer to a corporation controlled by the transferor. An exchange of property solely
for corporate stock or securities in a reorganization. A contribution of property to a partnership interest. A partnership interest. A partnership interest. A partnership distribution of property to a partnership interest. A partnership interest.
property from MACRS. You make the election by reporting your depreciation for the property on line 15 in Part II of Form 4562 and attaching a statement, as described in the Instructions for Form 4562. You must make this election by the return due date (including extensions) for the tax year you place your property in service. However, if you timely
filed your return for the year without making the election, you can still make the election by filing an amended return and write Filed pursuant to section 301.9100-2 on the election statement. File the amended return at the same address
you filed the original return. To figure your depreciation deduction, you must determine basis of your property. The basis of your property you buy is its cost plus amounts you need to know the cost or other basis of your property. The basis of your property you buy is its cost plus amounts you need to know the cost or other basis of your property. The basis of your property you buy is its cost plus amounts you need to know the cost or other basis of your property.
fees. The cost includes the amount you pay in cash, debt obligations, other property, or services you performed, as a gift, or as an
inheritance. If you acquired property in this or some other way, see Pub. 551 to determine your basis. Property changed from personal use and later use it in your business or income-producing activity, your depreciable basis is the lesser of the following. The FMV of the property on the date of the change in use.
Your original cost or other basis adjusted as follows. Increased by the cost of any permanent improvements or additions and other costs that must be added to basis. Example. Several years ago, Nia paid $160,000 to have a home built on a
lot that cost $25,000. Before changing the property to rental use last year, Nia paid $20,000 for permanent improvements to the house and claimed a $2,000 casualty loss deduction for damage to the house when figuring the basis for depreciation. The adjusted basis in the house
when Nia changed its use was $178,000 ($160,000 + $20,000). On the same date, the property had an FMV of $180,000, of which $15,000 was for the land and $165,000 was for the land and $165,000 was for the house. The basis for depreciation on the house is the FMV on the date of change ($165,000) because it is less than Nias adjusted basis ($178,000). To find you
property's basis for depreciation, you may have to make certain adjustments (increases and decreases) to the basis of the property and the time you acquired the property and the property acquired the property and the property acquired the property acquired to the p
zoning issues. Receiving rebates. Incurring a casualty or theft loss. For a discussion of adjustments to the basis of your property, see Adjusted Basis in Pub. 551. If you depreciate your property under MACRS, you may also have to reduce your basis by certain deductions and credits with respect to the property. For more information, see What Is the
Basis for Depreciation? in chapter 4. If you improve depreciable property, you must treat the improvement as separate depreciable property that is a betterment to the property, restores the property, or adapts it to a new or different use. See section 1.263(a)-3 of the regulations.
You generally deduct the cost of repairing business property to a new or different use, you must treat it as an improvement and depreciate it. Example. You repair a small section on one corner of the
roof of a rental house. You deduct the cost of the repair as a rental expense. However, if you completely replace the roof, the new roof is an improvement because it is a restoration of the building. You depreciate the cost of the new roof is an improvement because it is a restoration and amortization. Attach Form 4562 to your tax return for
the current tax year if you are claiming any of the following items. A section 179 deduction for property placed in service during the current year. Depreciation on any vehicle or other listed property, regardless of
when it was placed in service. See chapter 5 for information on listed property. A deduction for any vehicle if the deduction for any vehicle if the deduction or amortization or amortization on any asset on a corporate income tax return (other
than Form 1120-S, U.S. Income Tax Return for an S Corporation) regardless of when it was placed in service amount of the purpose of the various parts of Form 4562 for each business or activity on your return for which a Form 4562 is required. Table 1-1 presents an overview of the purpose of the various parts of Form 4562 is required.
depreciation in any year, you may be able to make a correction by filing an amended return for that year. See Filing an Amended Return next. If you are not allowed to make the correct amount of depreciation. See Changing Your Accounting Method,
later. You can file an amended return to correct the amount of depreciation claimed for any property in any of the following situations. You claimed the incorrect amount because of a mathematical error made in any year. You have not adopted a method of accounting for
property placed in service by you in tax years ending after December 29, 2003. You claimed the incorrect amount on property placed in service by you in tax years ending before December 30, 2003. Generally, you must get IRS approval to change your method of
accounting for depreciation. The following are examples of a change in method of accounting for depreciation. A change from an impermissible method of determining depreciation for depreciation for depreciation. A change in the treatment of an asset from nondepreciable to
depreciable or vice versa. A change in the depreciation method, period of recovery, or convention of a depreciation allowance to claiming to claiming to claiming to claiming to claiming a 50% special depreciation allowance to claiming a 100% are convertion of a depreciation and the convertion of a depreciation allowance to claiming a 100% are convertion of a depreciation allowance if you did not make the election to not claiming to claiming to claiming to claiming to claiming a 50% special depreciation allowance to claiming a 100% are convertion of a depreciation and claiming to claim any special depreciation allowance if you did not make the election to not claim any special depreciation allowance if you did not make the election to not claim any special depreciation allowance if you did not make the election to not claim any special depreciation allowance if you did not make the election to not claim any special depreciation allowance.
special depreciation allowance for qualified property acquired and placed in service by you after September 27, 2017 (if you did not make the election under section 168(k)(10) to claim a 50% special depreciation that are not a change in method of accounting (and may only be made on an amended return) include
the following. An adjustment in the useful life of a depreciation election (including the election not to deduct the special depreciation allowance). If you
elected not to claim any special depreciation allowance, a change from not claiming to claiming the special depreciation allowance is a revocation of the election and is not an accounting method change. Generally, you must get IRS approval to make a late depreciation election or revoke a depreciation election. You must submit a request for a letter
ruling to make a late election or revoke an election or revoke an election. Any change in the placed in service date of a depreciable asset. See sections 1.446-1(e)(2)(ii) of the regulations for more information and examples. IRS approval. If your change in method of accounting for depreciation is described in Revenue Procedure 2019-43, on page
1107 of Internal Revenue Bulletin 2019-48, as modified, amplified, and superseded by Revenue Procedure 2023-34, on page 502 of Internal Revenue Bulletin 2023-28, you may be able to get approval from the IRS to make that
change under the automatic change request procedures generally covered in Revenue Procedures generally covered in Revenue Procedures to get approval, you must use the advance consent request procedures generally covered in Revenue Procedure 2015-13. Also, see the
Instructions for Form 3115 for more information on getting approval, including lists of scope limitations and automatic accounting method changes. You can elect the property in service. This is the section 179 deduction. You can elect the recover all or part of the cost of certain qualifying property, up to a limit, by deduction in the year you place the property in service. This is the section 179 deduction. You can elect the recover all or part of the cost of certain qualifying property, up to a limit, by deduction in the year you place the property in service. This is the section 179 deduction in the year you place the property in service.
section 179 deduction instead of recovering the cost by taking depreciation deductions. .Estates and trusts cannot elect the section 179 deduction, what limits apply to the deduction (including special rules for partnerships and corporations), and how to
elect it. It also explains when and how to recapture the deduction. You may want to see: Publication 537 Installment Sales of Business Property See How To Get Tax Help at the end of this publication for information about getting
publications and forms. To qualify for the section 179 deduction, your property must meet all the following required by purchase. It must be eligible property described later under What Property Does Not Qualify. The following discussions provide
information about these requirements and exceptions. To qualify for the section 179 deduction, your property must be one of the following types of depreciable property. Other tangible property to the requirements and exceptions. To qualify for the section 179 deduction, or extraction, or of
furnishing transportation, communications, electricity, gas, water, or sewage disposal services; A research facility used in connection with any of the activities in (a) for the bulk storage of fungible commodities. Single-purpose agricultural (livestock) or horticultural structures. See
chapter 7 of Pub. 225 for definitions and information regarding the use requirements that apply to these structures. Storage facilities (except buildings and their structural components) used in connection with distributing petroleum. Off-the-shelf computer software. Qualified section 179 real property (described
below). To qualify for the section 179 deduction, your property must have been acquired for use in your trade or business. Property you acquire only for the production of income, such as investment property that produces royalties, does not qualify for the
section 179 deduction, your property must have been acquired by purchase in the following situations. It is acquired by one component member of a controlled group from another component member of the same group. Its basis is
determined either: In whole or in part by its adjusted basis in the hands of the person from whom it was acquired, or Under the stepped-up basis rules for property acquired from a decedent. It is acquired from a related person. Example. You are a tailor. You bought two industrial sewing machines from your father. You placed both machines in service
in the same year you bought them. They do not qualify as section 179 property because you and your father are related persons. You cannot claim a section 179 deduction for the section 179 deduction. This includes the following. Land and land improvements do not qualify as section
179 property. Land improvements include swimming pools, paved parking areas, wharves, docks, bridges, and fences. Even if the requirements explained earlier under What Property you lease to others (if you are a noncorporate lessor).
Property used predominantly outside the United States, except property used in section 168(g)(4) of the Internal Revenue Code. Property used by certain tax-exempt organizations, except property used by governmental units or
foreign persons or entities, except property used under a lease with a term of less than 6 months. Your section 179 deduction is generally the cost of the qualifying property. However, the total amount you can elect to deduct under section 179 is subject to a dollar limit and a business income limit. These limits apply to each taxpayer, not to each
business. However, see Married Individuals under Dollar Limits, later. For a passenger automobile, the total section 179 deduction and depreciation deduction are limited. See Do the Passenger Automobile, the total section 179 deduction and depreciate the
cost you do not deduct. The total amount you can elect to deduct under section 179 for most property placed in service in tax years beginning in 2024 generally cannot be more than one item of qualifying property during the year, you can allocate the section 179 deduction among the items in tax years beginning in 2024 generally cannot be more than one item of qualifying property during the year, you can allocate the section 179 deduction among the items in tax years beginning in 2024 generally cannot be more than $1,220,000. If you acquire and place in service more than one item of qualifying property during the year, you can allocate the section 179 deduction among the items in tax years beginning in 2024 generally cannot be more than $1,220,000. If you acquire and place in service more than $1,000 and 
any way, as long as the total deduction is not more than $1,220,000. You do not have to claim the full $1,220,000. The amount you can elect to deduct is not affected if you place qualifying property in service in a short tax year or if you place qualifying property in service for only a part of a 12-month tax year.. After you apply the dollar limit to
determine a tentative deduction, you must apply the business income limit (described later) to determine your actual section 179 deduction. Example. In 2024, you bought and placed in service $1,220,000 in machinery and the entire $25,000 for the saw,
a total of $1,220,000. This is the maximum amount you can deduct. Your $25,000 deduction for the saw completely recovered its cost. Your basis for depreciation of your machinery from the $1,220,000 cost of the
machinery. If the cost of your qualifying section 179 property placed in service in a year is more than $3,050,000, you must generally reduce the dollar limit (but not below zero) by the amount of cost over $3,050,000. If the cost of your section 179 property placed in service during 2024 is $4,270,000 or more, you cannot take a section 179 deduction
Example. In 2024, Jane Ash placed in service machinery costing $3,100,000. This cost is $50,000 more than $3,050,000, so Jane must reduce the dollar limit to $1,170,000 ($1,220,000 $50,000). You cannot elect to expense more than $30,500 of the cost of any heavy sport utility vehicle (SUV) and certain other vehicles placed in service in tax years
beginning in 2024. This rule applies to any 4-wheeled vehicle primarily designed or used to carry passengers over public streets, roads, or highways that is rated at more than 6,000 pounds gross vehicle weight and not more than 14,000 pounds gross vehicle weight. However, the $30,500 limit does not apply to any vehicle: Designed to seat more than
nine passengers behind the driver's seat; Equipped with a cargo area (either open or enclosed by a cap) of at least 6 feet in interior length that is not readily accessible from the passenger compartment; or That has an integral enclosure fully enclosing the driver's
seat, and has no body section protruding more than 30 inches ahead of the leading edge of the windshield. If you are married, how you figure your section 179 deduction depends on whether you file jointly or separately. If you file a joint return, you and your spouse are treated as one taxpayer in determining any reduction to the dollar limit,
percentages elected by each of you do not total 100%, 50% will be allocated to each of you. Example. You are married. You are married business, and bought and placed in service $3,050,000 of qualified business
equipment. Your combined dollar limit is $860,000. This is because you and your spouse must figure the limit as if you were one taxpayer. You reduce the $1,220,000 dollar limit as follows. $817,000 ($860,000 x 95% (0.95)) to your machinery. $43,000
business during the year. Generally, you are considered to actively conduct a trade or business if you meaningfully participate in the management or operations of the trade or business. Any cost not deduction of qualified section 179
real property that is placed in service by you in tax years beginning before 2016 and disallowed deduction, later. Carryover of disallowed deduction. You can carry over for an unlimited number of years the cost of any qualified
section 179 real property that you placed in service in tax years beginning after 2015, and that you elected to expense, but were unable to deduction amount is shown on line 13 of Form 4562. You use the amount you carry over to determine your section 179 deduction in the next year
Enter that amount on line 10 of your Form 4562 for the next year. If you place more than one property in service in a year, you can select the properties for which all or a part of the costs will be carried forward. Your selections must be shown in your books and records. For this purpose, treat section 179 costs allocated from a partnership or an S
corporation as one item of section 1/9 property. If you do not make a selection, the total carryover will be allocated equally among the properties you elected to expense for the vear. If costs from more than 1 year are carried forward to a subsequent year in which only part of the total carryover can be deducted, you must deduct the costs being
carried forward from the earliest year first. If there is a sale or other disposition of your property (including a transfer at death) before you can use the full amount of any outstanding carryover of your must add it back to the
property's basis.. The section 179 deduction limits apply both to the partnership and to each partnership determines its section 179 deduction subject to the limits. It then allocates the deduction subject to the limits. It then allocates the deduction subject to the limits. It then allocates the deduction subject to the limits. It then allocates the deduction subject to the limits.
Income, Deductions, Credits, etc.) to their nonpartnership section 179 costs and then applies the dollar limit to this total. To determine any reduction in the dollar limit for costs over $3,050,000, the partner does not include any of the cost of section 179 property placed in service by the partnership. After the dollar limit (reduced for any
nonpartnership section 179 costs over $3,050,000) is applied, any remaining cost of the partnership must reduce its dollar limit by $50,000
($3,100,000 $3,050,000). Its maximum section 179 deduction is $1,170,000 ($1,220,000 $50,000), and it elects to expense that amount. The partnership's taxable income from the active conduct of all its trades or businesses for the year was $1,110,000, so it can deduct the full $1,110,000. It allocates $40,000 of its section 179 deduction and $50,000
of its taxable income to Dean, one of its partners. In addition to being a partner in Beech Partnership, which allocated to Dean a $30,000 section 179 deduction and $35,000 of its taxable income from the active conduct of its business. Dean also conducts a business as a sole proprietor and, in 2024, placed
in service in that business qualifying section 179 property costing $55,000. Dean had a net loss of $5,000 from that business for the year are not more than $3,050,000 and the dollar limit is not reduced.
Deans maximum section 179 deduction is $1,220,000. Dean elects to expense all of the $70,000 in section 179 deductions allocated from the partnership), plus $55,000 of the sole proprietorship's section 179 costs, and notes that information in the books and records. However,
Deans deduction is limited to the business taxable income of $80,000 ($50,000 from Beech Partnership, plus $35,000 from Beech Partnership, minus $5,000 from Be
property placed in service in Deans sole proprietorship, and notes that allocation in the books and records. Example. John and James Oak are equal partners in Oak Partnership uses a tax year ending January 31. John and James Oak are equal partnership uses a tax year ending January 31. John and James Oak are equal partnership.
taxable income from the active conduct of its business is $80,000, of which $70,000 was earned during 2023. John and James each include $40,000 (each partnership taxable income in computing their business income limit for the 2024 tax year. Generally, the rules that apply to a partnership and its partners also apply to an
S corporation and its shareholders. The deduction limits apply to an S corporation and to each shareholder. The S corporation allocates its deduction to the shareholders who then take their section 179 deduction subject to the limits. Figuring taxable income for an S corporation. To figure taxable income (or loss) from the active conduct by an S
corporation of any trade or business, you total the net income (or loss) from a trade or business actively conducted by the S corporation, you take into account the items from that trade or business that are passed through to the
shareholders and used in determining each shareholder's tax liability. However, you do not take into account any credits, tax-exempt income, the section 179 deductions for compensation paid to shareholder-employees. For purposes of determining the total amount of S corporation items, treat deductions and losses as negative income.
In figuring the taxable income of an S corporation, disregard any limits on the amount of an S corporation item that must be taken into account when figuring a shareholder's taxable income figured with the following changes. It is figured before
deduction the section 179 deduction, any net operating loss deduction, and special deductions (as reported on the corporation during the tax year. If you elect the
deduction for listed property (described in chapter 5), complete Part V of Form 4562 before completing Part I. For property placed in service in 2024, file Form 4562 with either of the following. Your original 2024 tax return, whether or not you file it timely. An amended return for 2024 filed within the time prescribed by law. An election made on an
amended return must specify the item of section 179 property to which the election applies and the part of the cost of each piece of qualifying section 179
property. These records must show how you acquired the property, the person you acquired it from, and when you placed it in service. You may have to recapture the section 179 deduction if, in any year during the property recovery period, the person you acquired the property recovery period.
include the recapture amount as ordinary income in Part IV of Form 4797. You also increase the basis of the property by the recapture amount under the
rules explained in this discussion. Instead, use the rules for recapturing depreciation explained in chapter 3 of Pub. 544 under Section 1245 property, see Notice 2013-59 for determining the portion of the gain that is attributable to section 1245 property, see Notice 2013-59 for determining the portion of the gain that is attributable to section 1245 property, see Notice 2013-59 for determining the portion of the gain that is attributable to section 1245 property.
find Notice 2013-59 at IRS.gov/irb/2013-40 IRB/ar14.html.. If the property is listed property in listed property is listed prop
Business-Use Requirement. . . If any qualified zone property placed in service during a particular year ceases to be used in an empowerment zone by an enterprise zone business in a later year, the benefit of the increased section 179 deduction must be reported as other income on your return. . You can take a special depreciation allowance to recover
part of the cost of qualified property (defined next) placed in service during the tax year. The allowance applies only for the first year you place the property in service. The allowance is an additional deduction you can take after any section 179 deduction and before you figure regular depreciation under MACRS for the year you place the property in
service. This chapter explains what is qualified property. It also includes rules regarding how to figure an allowance, how to elect not to claim an allowance, and when you must recapture an allowance, how to elect not to claim an allowance, and when you must recapture an allowance, how to elect not to claim an allowance, and when you must recapture an allowance, and when you must recapture an allowance, how to elect not to claim an allowance, and when you must recapture an allowance are allowance.
one of the following. Qualified reuse and recycling property. Certain qualified property acquired after September 27, 2017. Certain plants bearing fruits and nuts. The following discussions provide information about the types of qualified property listed above for which you can take the special depreciation allowance. You can take a 50% special
depreciation allowance for qualified reuse and recycling property. Qualified reuse and recycling property is any machinery or equipment (not including buildings or real estate), along with any appurtenance, that is used exclusively to collect, distribute, or recycle qualified reuse and recyclable materials (as defined in section 168(m)(3)(B) of the
Internal Revenue Code). Qualified reuse and recycling property must be depreciated under MACRS. The property must be depreciated under MACRS. The property must be depreciated under MACRS. The property must be depreciated under MACRS.
31, 2008. You must have acquired the property by purchase (as discussed under Property Acquired by Purchase in chapter 2) after August 31, 2008, with no binding written contract for the acquisition in effect before September 1, 2008. The property must be placed in service for use in your trade or business after August 31, 2008. Qualified reuse and
recycling property does not include any of the following. Any rolling stock or other equipment used to transport reuse or recyclable materials. Property required to be depreciated using ADS, see Required use of ADS under Which Depreciation System
(GDS or ADS) Applies? in chapter 4. Other bonus depreciation property to which you elected not to claim any special depreciation allowance (discussed later). Property placed in service and disposed of in the same tax year. Property converted from business use to personal use in
the same tax year acquired. Property converted from personal use to business use in the same or later tax year may be qualified reuse and recycling property. You can elect to take a 60% special depreciation allowance for property acquired after September 27, 2017, and placed in service after December 31, 2023, and before January 1, 2025 (other
than certain property with a long production period and certain aircraft). You can elect to take an 80% special depreciation allowance for certain property with a long production period and certain aircraft placed in service after December 31, 2023, and before January 1, 2025. Your property is qualified property if it meets the following. Tangible
property depreciated under MACRS with a recovery period of 20 years or less. Computer software defined in and depreciated under sections 181(d) and (e) of the Internal Revenue Code. A specified plant for
which you made the election to apply section 168(k)(5) for the tax year in which the plant is planted or grafted (explained later under Excepted Property). Qualified property must also be placed in service before January 1, 2027 (or before January 1, 2028, for
certain property with a long production period and for certain aircraft), and can be either new property or certain qualified property acquired after September 27, 2017, and placed in service after December 31, 2024, and before January 1, 2026 (other than certain property with a long production period and certain aircraft),
you can elect to take a 40% special depreciation allowance. For certain property with a long production period and certain aircraft placed in service after December 31, 2024, and before January 1, 2026, you can elect to take a 60% special depreciation allowance. To be qualified property, long production period property must meet the following
requirements. The property has a recovery period of at least 10 years or is transportation property is subject to section 263A of the Internal Revenue Code. The property has an estimated production period exceeding
1 year and an estimated production cost exceeding $1 million. You must have acquired the property, or acquired the property, noncommercial aircraft must meet the following requirements. The aircraft
must not be tangible personal property used in the trade or business of transporting persons or property (except for agricultural or firefighting purposes). The aircraft must be purchased in the trade or business of transporting persons or property (except for agricultural or firefighting purposes). The aircraft must be purchased in the trade or business of transporting persons or property (except for agricultural or firefighting purposes).
lesser of 10% of the cost or $100,000. The aircraft must have an estimated production period exceeding $200,000. You must have acquired the aircraft pursuant to a written contract entered into, before January 1, 2027. See section 168(k)(2)(C) of the Internal Revenue Code. Qualified property
acquired after September 27, 2017, does not include any of the following. Property converted from business use in the same tax year may be qualified
property. Property required to be depreciated under the Alternative Depreciation System (ADS). This includes listed property used 50% or less in a qualified business use. For other property required to be depreciated using ADS, see Required to be depreciated using ADS, see Required to be depreciated using ADS and a qualified business use.
elected not to claim any special depreciation allowance (discussed later). Property described in service in any tax year beginning after December 31, 2017. You can elect to claim a 60% special
depreciation allowance for the adjusted basis of certain specified plants (defined later) bearing fruits or nuts, and Any other plant that will have more than one yield of fruits or nuts and generally has a pre-productive
period of more than 2 years from planting or grafted outside the United States does not qualify as a specified plant, the special depreciation allowance applies only for the tax year in which the
plant is planted or grafted. The plant will not be treated as qualified property eligible for the special depreciation, attach a statement to your timely filed return (including extensions) for the tax year in which you plant or graft the specified plant(s), indicating
you are electing to apply section 168(k)(5) and identifying the specified plants bearing fruits and nuts planted or grafted after December 31, 2024, and before January 1, 2026, you can elect to claim a 40% special
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depreciation allowance. See section 168(k)(5) of the Internal Revenue Code. Figure the special depreciation allowance by multiplying the depreciation allowance by multiplying the depreciation allowance on Form 4562, Part II, line 14. For qualified property that is listed property in service in a short tax year, you can take the full amount of a special depreciation allowance on Form 4562, Part V, line 25. If you place qualified property in service in your business qualified property (that is not long production period property or certain aircraft) that cost \$450,000 and that you acquired after September 27, 2017. You did not elect to claim a section 179 deduction. You deduct 60% of the cost (\$360,000) as a special depreciation allowance for 2024.

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You use the remaining cost of the property to figure a regular MACRS depreciation deduction for your property in a like-kind exchange or an involuntary conversion after September 27, 2017, and the qualified property is new property, the
carryover basis and any excess basis of the acquired property are eligible for the special depreciation allowance. The exchange, for example, additional cash, liabilities, non-like-kind property, or other boot paid for the new property. See Pub. 551 for more
information on carryover basis and excess basis. If you acquired qualified property in a like-kind exchange or an involuntary conversion after September 27, 2017, and the qualified property is used property is eligible for the special depreciation allowance. After you figure your special depreciation
allowance, you can use the remaining carryover basis to figure your regular MACRS depreciation Deduction Figured. You can elect, for any class of property, not to deduct any special depreciation allowances for all
property in such class placed in service during the tax year. To make an election, attach a statement to your return indicating what election must be made separately by each person owning qualified property (for example, by the partnerships, by the S
corporation, or for each member of a consolidated group by the common parent of the group). If you elect not to have any special depreciation allowance apply, the property placed in service after 2015 will not be subject to an alternative minimum tax adjustment for depreciation. When you dispose of property for which you claimed a special
depreciation allowance, any gain on the disposition is generally recaptured (included in income) as ordinary income up to the amount of the speciation? in chapter 4 for more information. The Modified Accelerated Cost Recovery System (MACRS) is
used to recover the basis of most business and investment property placed in service after 1986. MACRS consists of two depreciation systems, the General Depreciation System (GDS) and the Alternative Depreciation System (GDS) and the Alternative Depreciation System (GDS).
be sure you can use MACRS to figure depreciation for your property, see What Method Can You Use To Depreciate Your Property? in chapter 1. This chapter explains how to determine which MACRS depreciation under MACRS.
This information includes the property's recovery class, placed in service date, and basis, as well as the applicable recovery period, convention, and depreciation method. It explains how to use a general asset account to depreciate a group of properties. Finally, it explains when and
how to recapture MACRS depreciation. You may want to see: Publication 225 Farmer's Tax Guide 463 Travel, Gift, and Car Expenses 544 Sales and Other Dispositions of Assets 551 Basis of As
at the end of this publication for information about getting publications and forms. Your use of either the General Depreciation System (GDS) or the Alternative Depreciation System (GDS) to depreciation System (GDS) are specifically
required by law to use ADS or you elect to use ADS. If you placed your property in service in 2024, complete Part III to report depreciation using MACRS. Complete Section B of Part III to report depreciation using MACRS. Complete Section B of Part III to report depreciation using MACRS.
2024 and are required to file Form 4562, report depreciation using either GDS or ADS on line 17 in Part III. If you are required to use ADS to depreciate your property, you cannot claim any special depreciations under GDS and examples of
the types of property included in each class. These property classes are also listed under column (a) in Section B of Part III of Form 4562. For detailed information on property. Tractor units for over-the-road use. Any race horse over 2 years old
when placed in service. Any other horse (other than a race horse) over 12 years old when placed in service. Qualified rent-to-own property (defined later). 5-year property. Automobiles, taxis, buses, helicopters, and trucks. Non-commercial (that is not used in commercial or contract carrying of passengers or freight). Any qualified technological
equipment. Office machinery (such as typewriters, calculators, and copiers). Any property used in research and experimentation. Breeding cattle and dairy cattle. Appliances, carpets, furniture, etc., used in a residential rental real estate activity. Certain geothermal, solar, and wind energy property. Any machinery equipment (other than any grain bin
cotton ginning asset, fence, or other land improvement) used in a farming business and placed in service after 2017. The original use of the property must begin with you after 2017. Any qualified facility (as defined in service after 2017. The original use of the property must begin with you after 2017. The original use of the property must begin with you after 2017. The original use of the property must begin with you after 2017. The original use of the property must begin with you after 2017. The original use of the property must begin with you after 2017. The original use of the property must begin with you after 2017. The original use of the property must begin with you after 2017. The original use of the property must begin with you after 2017. The original use of the property must begin with you after 2017. The original use of the property must begin with you after 2017. The original use of the property must begin with you after 2017. The original use of the property must begin with you after 2017. The original use of the property must begin with you after 2017. The original use of the property must begin with you after 2017. The original use of the property must begin with you after 2017. The original use of the property must begin with you after 2017. The original use of the property must be after 2017. The original use of the property must be after 2017. The original use of the property must be after 2017. The original use of the property must be after 2017. The original use of the property must be after 2017. The original use of the property must be after 2017. The original use of the property must be after 2017. The original use of the property must be after 2017. The original use of the property must be after 2017. The original use of the property must be after 2017. The original use of the property must be after 2017. The original use of the property must be after 2017. The original use of the property must be after 2017. The original use of the property must be after 2017. The original use of the 
(2) of section 48E of the Internal Revenue Code) which is a qualified investment (as defined in subsection), or any energy storage technology (as defined in subsection) and placed in service after 2024. 7-year property. Office furniture and fixtures (such as desks, files, and safes). Used agricultural machinery
and equipment placed in service after 2017, grain bins, cotton ginning assets, or fences used in a farming business (but no other land improvements). Railroad track. Any property that does not have a class life and has not been designated by law as being in any other class. Certain motorsports entertainment complex property (defined later). Any
natural gas gathering line placed in service after April 11, 2005. See Natural gas gathering line and electric transportation equipment. Any single-purpose agricultural or horticultural structure. Any tree or vine bearing fruits or nuts. Qualified small electric meter
and qualified smart electric grid system (defined later), such as a convenience store. Any municipal wastewater treatment made directly to land or added to it (such as shrubbery, fences, roads, sidewalks, and bridges). Any retail motor fuels outlet (defined later), such as a convenience store. Any municipal wastewater treatment
plant. Initial clearing and grading land improvements for gas utility property. Electric transmission property, later. Any natural gas distribution line placed in service after April 11, 2005. See Natural gas gathering line and electric transmission property, later. Any natural gas distribution line placed in service after April 11, 2005. See Natural gas gathering line and electric transmission property, later. Any natural gas distribution line placed in service after April 11, 2005.
in service after April 11, 2005, and before January 1, 2011. Any telephone distribution plant and comparable equipment used for 2-way exchange of voice after 2017. 20-year property. Farm buildings (other than single-purpose agricultural or horticultural
structures). Municipal sewers not classified as 25-year property. Initial clearing and grading land improvements for electric utility transmission and distribution plants. 25-year property. This class is water utility property, which is either of the following. Property that is an integral part of the gathering, treatment, or commercial distribution of water,
and that, without regard to this provision, would be 20-year property. Municipal sewers other than property, Enter a binding contract in effect at all times since June 9, 1996. Residential rental property. This is any building or structure, such as a rental home (including a mobile home), if 80% or more of its gross rental income for the
tax year is from dwelling units. A dwelling unit is a house or apartment used to provide living accommodations in a building or structure for personal use, its gross rental
income includes the fair rental value of the part you occupy. Nonresidential rental property with a class life of less than 27.5 years. Qualified rent-to-own property. Qualified rent-to-own property is property held by a rent
to-own dealer for purposes of being subject to a rent-to-own contract. It is tangible personal property generally used in the home for personal use. It includes computers and peripheral equipment, televisions, videocassette recorders, stereos, camcorders, appliances, furniture, washing machines and dryers, refrigerators, and other similar consumer
durable property. Consumer durable property does not include real property as qualified property as long as it does
not represent a significant portion of your leasing property. You must prove that this property is qualified rent-to-own property, you must prove that this property is qualified rent-to-own property. You begin to claim depreciation when your leasing property is qualified rent-to-own property is qualified rent-to-own property.
of income. The placed in service date for your property is the date the property as being placed in service on the conversion date
See Placed in Service under When Does Depreciation of MACRS property is the percentage of business/investment use. For a discussion of business/investment use, see Partial business or
investment use under Property Used in Your Business or Income-Producing Activity in chapter 1. Reduce that amount by any credits and deductions that reduce basis. Any deduction for section 179 property. Any deduction under section 179B of the Internal Revenue
Code for capital costs to comply with Environmental Protection Agency sulfur regulations. Any deduction under section 179D of the Internal Revenue Code for certain energy efficient commercial building property. Any deduction under section 179D of the Internal Revenue Code for certain energy efficient commercial building property. Any deduction for removal of barriers to the disabled and the elderly. Any disabled access credit, enhanced oil recovery credit, and credit
for employer-provided childcare facilities and services. Any special depreciation allowance. Basis adjustment for investment credit property under section 48D(d)(5) of the Internal Revenue Code. For additional credits and
deductions that affect basis, see section 1016 of the Internal Revenue Code. Enter the basis of property, see What Is the Basis of Your Depreciable Property? in chapter 1. The recovery period of property is the number of years
over which you recover its cost or other basis. It is determined based on the depreciation system (GDS or ADS) used. Under GDS, property is depreciated over one of the following recovery periods. Residential rental
property and nonresidential real property are defined earlier under Which Property Class Applies Under GDS. Enter the appropriate recovery period on Form 4562 under column (d) in Section B of Part III, unless already shown (for 25-year property, residential rental property, and nonresidential real property). The recovery periods for most property
are generally longer under ADS than they are under GDS. The following table shows some of the ADS recovery periods. The ADS recovery periods for property, and nonresidential real property are defined earlier under Which Property Class
Applies Under GDS. An addition or improvements? in chapter 1 for a definition of improvements. Its property is treated as separate depreciable property.
service at the same time you placed the addition or improvement in service. The date you place in service the property to which you made the addition or improvement. Example. You own a rental home that you have been renting
out since 1981. If you put an addition on the home and place the addition in service this year, you would use MACRS to figure your depreciation deduction for the addition. Under GDS, the property class for the addition is residential rental property and its recovery period is 27.5 years because the home to which the addition is made would be
residential rental property if you had placed it in service this year. Under MACRS, averaging conventions establish when the recovery period begins and ends. The convention you use determines the number of months for which you can claim depreciation in the year you place property in service and in the year you dispose of the property. MACRS
provides three depreciation method under GDS and one depreciation method over a GDS recovery period. The straight line method over a GDS recovery period. The straight line method over a GDS recovery period. The straight line method over a GDS recovery period. The straight line method over a GDS recovery period.
placed in service before 1999, you could have elected the 150% declining balance method and recovery periods for certain property. . Table 4-1 lists the types of property you can depreciate under each method. It also gives a brief
explanation of the method, including any benefits that may apply. If you place personal property in service in a farming business after 1988, and before 2018, you must generally depreciate it under GDS using the straight line method or
you elect to depreciate the property under GDS or ADS. For 3-, 5-, 7-, or 10-year property using the straight line method under either GDS or ADS. For 3-, 5-, 7-, or 10-year property used in a farming business and placed in service after 2017, in tax years ending after 2017, the 150% declining balance method is no longer
required. However, the 150% declining balance method will continue to apply to any 15- or 20-year property used in a farming business to which the straight line method does not apply or to property for which you elect the use of the 150% declining balance method. As shown in Table 4-1, you can elect a different method for depreciation for certain
types of property. You must make the election by the due date of the return (including extensions) for the year without making the election by filing an amended return within 6 months of the due date of the return (excluding
extensions). Attach the election to the amended return and write Filed pursuant to section 301.9100-2 on the election, you cannot change it. .If you elect to use a different method for one item in a property class, you must apply the same
method to all property in that class placed in service during the election on a property basis for nonresidential real and residential rental property. . To figure your depreciation system, property basis for nonresidential real and residential rental property basis for nonresidential rental property.
amount, recovery period, convention, and depreciation method that apply to your property. Then, you are ready to figure your deduction under MACRS, the IRS has established
percentage tables that incorporate the application. The following rules cover the use of the percentage tables. You must apply the rates in the percentage tables to your property's unadjusted basis. You cannot use the percentage tables for
a short tax year. See Figuring the Deduction for a Short Tax Year, later, for information on the short tax year rules. Once you start using the property, you must generally continue to use them for the property for any
reason other than: Depreciation allowed or allowable, or An addition or improvement to that property that is depreciated as a separate item of property. Basis adjustments other than those made due to the items listed in (4) include an increase in basis for the recapture of a clean-fuel deduction or credit and a reduction in basis for a casualty loss.
Basis adjustment due to casualty loss. If you reduce the basis of your property because of a casualty, you cannot continue to use the percentage tables. For the year of the adjustment and the remaining recovery period, you must figure the depreciation yourself using the property's adjustment and the remaining recovery period, you must figure the depreciation yourself using the property's adjustment and the remaining recovery period, you must figure the depreciation yourself using the property because of a casualty, you cannot continue to use the percentage tables.
Without Using the Tables, later. Example. On October 26, 2023, Sandra and Frank Elm, calendar year taxpayers, bought and placed in service in their business a new item of 7-year property. It cost $39,000 and they elected a section 179 deduction of $24,000. They also made an election under section 168(k)(7) not to deduct the special depreciation
allowance for 7-year property placed in service in 2023. Their unadjusted basis after the section 179 deduction was $15,000 ($39,000 $24,000). They figured their MACRS depreciation deduction was $536. In July 2024, the property was vandalized and they had a deductible
casualty loss of $3,000. Sandra and Frank must adjust the property's basis for the casualty loss, so they can no longer use the percentage tables. Their adjusted basis at the end of 2024, before figuring their 2024 depreciation, is $11,464. They figure that amount by subtracting the 2023 MACRS depreciation of $536 and the casualty loss of $3,000.
from the unadjusted basis of $15,000. They must now figure their depreciation for 2024 without using the percentage tables. You must apply the table rates to your property's unadjusted basis each year of the recovery period. Unadjusted basis is the same basis amount you would use to figure gain on a sale, but you figure it without reducing your
original basis by any MACRS depreciation taken on the property. Any section taken on the property. For business property you purchase during the year, the
unadjusted basis is its cost minus these and other applicable adjustments. If you trade property received is the property received is the property traded minus these adjusted basis of the property traded minus these adjusted basis in the property received is the cash paid plus the adjustments. You can use this worksheet to help you figure your depreciation deduction using the percentage tables. Use a separate
worksheet for each item of property. Then, use the information from this worksheet to prepare Form 4562. .Do not use this worksheet for automobiles. Use the Depreciation deduction using the percentage tables and the MACRS
Worksheet. Example. You bought office furniture (7-year property) for $10,000 and placed it in service on August 11, 2024. You use the furniture only for business. This is the only property for purposes of claiming a special depreciation.
allowance, so your property's unadjusted basis is its cost, $10,000. You use GDS and the half-year convention to figure your depreciation. You refer to the MACRS Percentage for 7-year property given in Table A-1.
You figure your depreciation deduction using the MACRS Worksheet as follows. If there are no adjustments to the basis of the property other than depreciation, your depreciation deduction for each subsequent year of the recovery period will be as follows. The following examples are provided to show you how to use the percentage tables. In both
examples, assume the following. You use the property only for business. You use the calendar year as your tax year. You use GDS for all the properties. Example 1. You bought a building cost $100,000 and the land cost $20,000. It is nonresidential
real property. The building's unadjusted basis is its original cost, $100,000. You refer to the MACRS Percentage Table Guide in Appendix A and find that you should use Table A-7a. March is the third month of your tax year, so multiply the building's unadjusted basis, $100,000, by the percentages for the third month in Table A-7a. Your depreciation
deduction for each of the first 3 years is as follows. Example 2. During the year, you bought a machine (7-year property) for $4,000, office furniture in September, and the computer in October. You do not elect a
section 179 deduction and none of these items are qualified property for purposes of claiming a special depreciation allowance. You placed property in service during the last 3 months of the year, so you must first determine if you have to use the mid-quarter convention. The total bases of all property you placed in service during the year are $10,000 percentages.
The $5,000 basis of the computer, which you placed in service during the last 3 months (the fourth quarter) of your tax year, is more than 40% of the total bases of all property ($10,000) you placed in service during the year. Therefore, you must use the mid-quarter convention for all three items. You refer to the MACRS Percentage Table Guide in
Appendix A to determine which table you should use under the mid-quarter convention. The machine is 7-year property placed in service in the fourth
quarter, you use Table A-5. Knowing what table to use for each property, you figure the depreciation for the first 2 years as follows. If you sell or otherwise dispose of your property before the end of its recovery period, your depreciation for the first 2 years as follows. If you sell or otherwise dispose of your property before the end of its recovery period, your depreciation for the first 2 years as follows.
disposed of your property if you have permanently withdrawn it from use in your business or income-producing activity because of its sale, exchange, retirement, abandonment, involuntary conversion, or destruction. After you figure the deductible part using the convention that applies to the property. Mid-
quarter convention used. For property for which you used the mid-quarter convention, figure your depreciation by the percentage listed below for the quarter in which you disposed of the property. Example. On December 2, 2021, you placed in service an item of 5-year
 property costing $10,000. You did not claim a section 179 deduction and the property does not qualify for a special depreciation allowance. Your unadjusted basis for the property was $10,000. You used the mid-quarter convention because this was the only item of business property you placed in service in 2021 and it was placed in service during the
 last 3 months of your tax year. Your property is in the 5-year property class, so you used Table A-5 to figure your depreciation deduction. Your deductions for 2021, 2022, and 2023 were $500 (5% of $10,000), $3,800 (38% of $10,000), and $2,280 (22.80% of $10,000), respectively. You disposed of the property on April 6, 2024. To determine your
depreciation deduction for 2024, first figure the deduction for the full year. This is $1,368 (13.68% of $10,000). April is in the second quarter of the year, so you multiply $1,368 by 37.5% (0.375) to get your depreciation deduction of $513 for 2024. Instead of using the rates in the percentage tables to figure your depreciation deduction, you can figure
it yourself. Before making the computation each year, you must reduce your adjusted basis in the previous year(s). Figuring MACRS deductions without using the tables. When using a declining balance method, you apply the same
depreciation rate each year to the adjusted basis of your property. You must use the applicable convention for the first year and you must switch to the straight line method beginning in the first year for which it will give an equal or greater deduction. The straight line method is explained later. You figure depreciation for the first year for which it will give an equal or greater deduction. The straight line method is explained later. You figure depreciation for the first year for which it will give an equal or greater deduction.
Multiply this new adjusted basis by the same declining balance rate used in earlier years. If you dispose of property before the end of its recovery period, see Using the Applicable Convention, later, for information on how to figure depreciation for the year you dispose of it. Figuring depreciation under the declining balance method and switching to
the straight line method is illustrated in Example 1, later, under Examples. When using the straight line method, you apply a different depreciation rate each year to the adjusted basis of your property. You must use the applicable convention in the year you place the property in service and the year you dispose of the property. You figure depreciation
for the year you place property in service as follows. Multiply your adjusted basis in the property by the straight line rate. Apply the applicable convention. You figure depreciation for all other years (including the year you switch from the declining balance method to the straight line method) as follows. Reduce your adjusted basis in the property by
the depreciation allowed or allowable in earlier years (under any method). Determine the depreciation rate for the year. Multiply the adjusted basis figured in (1) by the depreciation rate figured in (2). If you dispose of property before the end of its recovery period, see Using the Applicable Convention, later, for information on how to figure
depreciation for the year you dispose of it. The applicable convention (discussed earlier under Which Convention Applies) affects how you figure your depreciation deduction for the year you place your property in service and for the year you dispose of it. It determines how much of the recovery period remains at the beginning of each year, so it also
affects the depreciation rate for property you depreciate under the straight line method. See Straight line rate in the previous discussions. Wid-quarter convention, as explained in the following discussions. Wid-quarter convention, as explained in the following discussions. Wid-quarter convention applies, the depreciate under the straight line method. See
the quarter in which you place the property in service. A quarter of a full 12-month tax year is a period of 3 months. The first day of the tax year. The fourth month of the tax year. The second quarter begins on the first day of the seventh month of the tax year. The second quarter begins on the first day of the seventh month of the tax year. The second quarter begins on the first day of the seventh month of the tax year.
guarter begins on the first day of the tenth month of the tax year. A calendar year is divided into the following quarters. Figure your depreciation for the property in service by multiplying the depreciation for the property in service. If you dispose of the
property before the end of the recovery period, figure your depreciation by the percentage listed below for the quarter you dispose of the property. If you hold the property for the entire recovery period, your depreciation by the percentage listed below for the quarter you dispose of the property.
quarter of the recovery period is the amount of your unrecovered basis in the property. The following examples show how to figure depreciation under MACRS without using the percentage tables. Figures are rounded for purposes of the examples that you use a calendar year as your tax year. Example 1200% DB method
and half-year convention. In February, you placed in service depreciable property with a 5-year recovery period and a basis of $1,000. You do not elect to take the section 179 deduction and the property does not qualify for a special depreciation. When the SL method
results in an equal or larger deduction, you switch to the SL method. You did not place any property in service in the last 3 months of the year, so you must use the half-year convention. First year. You figure the depreciation rate under the 200% DB method by dividing 2 (200%) by 5 (the number of years in the recovery period). The result is 40%. You
multiply the adjusted basis of the property ($1,000) by the 40% DB rate. You apply the half-year convention by dividing 1 by 5, the number of years in the recovery period. The result is 20%. You
multiply the adjusted basis of the property ($1,000) by the 20% SL rate. You apply the half-year convention by dividing the result ($200) by 2. Depreciation for the first year under the $20% DB method. Second year. You reduce the adjusted basis
($1,000) by the depreciation claimed in the first year ($200). You multiply the result ($800) by the DB rate (40%). Depreciation for the second year under the 200% DB method is $320. You figure the SL depreciation for the second year under the 200% DB method is $320. You figure the SL depreciation for the second year under the 200% DB method is $320. You figure the SL depreciation for the second year under the 200% DB method is $320. You figure the SL depreciation for the second year under the 200% DB method is $320. You figure the SL depreciation for the second year under the 200% DB method is $320. You figure the SL depreciation for the second year under the 200% DB method is $320. You figure the SL depreciation for the second year under the 200% DB method is $320. You figure the SL depreciation for the second year under the 200% DB method is $320. You figure the SL depreciation for the second year under the 200% DB method is $320. You figure the SL depreciation for the second year under the 200% DB method is $320. You figure the 200% DB method is $320.
year of the recovery period in the first year.) You multiply the reduced adjusted basis ($800) by the result (22.22%). Depreciation under the SL method for the second year is $178. The DB method provides a larger deduction, so you deduct the $320 figured under the 200% DB method. Third year. You reduce the adjusted basis ($800) by the
$137. The DB method provides a larger deduction, so you deduct the $192 figured under the 200% DB method. Fourth year ($192). You multiply the result ($288) by the DB rate (40%). Depreciation for the fourth year under the 200% DB method is $115. You figure the
SL depreciation rate by dividing 1 by 2.5. You multiply the reduced adjusted basis ($288) by the result (40%). Depreciation under the SL method for the fourth year is $115. The SL method provides an equal deduct the $115. The SL method for the fourth year is $115. The SL method and deduct the $115. The SL method for the fourth year is $115. The SL method for the fourth year is $115. The SL method for the fourth year is $115. The SL method for the fourth year is $115. The SL method for the fourth year is $115. The SL method for the fourth year is $115. The SL method for the fourth year is $115. The SL method for the fourth year is $115. The SL method for the fourth year is $115. The SL method for the fourth year is $115. The SL method for the fourth year is $115. The SL method for the fourth year is $115. The SL method for the fourth year is $115. The SL method for the fourth year is $115. The SL method for the fourth year is $115. The SL method for the fourth year is $115. The SL method for the fourth year is $115. The SL method for the fourth year is $115. The SL method for the fourth year is $115. The SL method for the fourth year is $115. The SL method for the fourth year is $115. The SL method for the fourth year is $115. The SL method for the fourth year is $115. The SL method for the fourth year is $115. The SL method for the fourth year is $115. The SL method for the fourth year is $115. The SL method for the fourth year is $115. The SL method for the fourth year is $115. The SL method for the fourth year is $115. The SL method for the fourth year is $115. The SL method for the fourth year is $115. The SL method for the fourth year is $115. The SL method for the fourth year is $115. The SL method for the fourth year is $115. The SL method for the fourth year is $115. The SL method for the fourth year is $115. The SL method for the fourth year is $115. The SL method for the fourth year is $115. The SL method for the fourth year is $115. The SL method for the fourth year is $115. The SL method for the four
the fourth year ($115) to get the reduced adjusted basis of $173. You figure the SL depreciation rate by dividing 1 by 1.5. You multiply the reduced adjusted basis ($173) by the depreciation claimed in the fifth year
($115) to get the reduced adjusted basis of $58. There is less than 1 year remaining in the recovery period, so the SL depreciation rate for the sixth year is 100%. You multiply the reduced adjusted basis ($58) by 100% to arrive at the depreciation for the sixth year ($58). Example 2SL method and mid-month convention. In January, you
bought and placed in service a building for $100,000 that is nonresidential real property with a recovery period of 39 years. The adjusted basis of the building is its cost of $100,000. You use GDS, the SL method, and the mid-month convention to figure your depreciation. First year. You figure the SL depreciation rate for the building by dividing 1 by
39 years. The result is 0.02564. The depreciation for a full year is $2,564 ($100,000 0.02564). Under the mid-month convention, you treat the property as placed in service in the depreciation for a full year is $2,564 ($100,000 0.02564). Under the mid-month convention, you treat the property as a decimal, the fraction of 11.5 months divided by 12 months is 0.958. Your first-year
depreciation for the building is $2,456 ($2,564 0.958). Second year. You subtract $2,456 from $100,000 to get your adjusted basis of $97,544 for the second year. The SL rate is 0.02629. This is 1 divided by the remaining recovery period of 38.042 years (39 years reduced by 11.5 months or 0.958). Your depreciation for the building for the second year.
is $2,564 ($97,544 0.02629). Third year. The adjusted basis is $94,980 ($97,544 $2,564). The SL rate is 0.027 (1 divided by 37.042 remaining years). Your depreciation for the third year is $2,564 ($94,980 0.027). Example 3200% DB method and mid-quarter convention. During the year, you bought and placed in service in your business the following
items. You do not elect a section 179 deduction and these items do not qualify for a special depreciation. The total bases of all property you placed in service this year are $10,000. The basis of the computer ($5,000) is more than 40% of the total bases of all property placed in
service during the year ($10,000), so you must use the mid-quarter convention. This convention applies to all three items of property. The safe and office furniture are 7-year property is 0.28571. You determine this by dividing 2.00
(200%) by 7 years. The depreciation for the safe for a full year is $1,143 ($4,000 0.28571). You placed the safe in service in the first quarter percentage for the first quarter of your tax year, so you multiply $1,143 by 87.5% (the mid-quarter percentage for the first quarter).
 adjusted basis of the safe is $3,000. You figure this by subtracting the first year's depreciation ($1,000) from the basis of the safe ($4,000). Your depreciation for furniture. The furniture is also 7-year property, so you use the same 200% DB rate of 0.28571. Your
multiply the basis of the furniture ($1,000) by 0.28571 to get the depreciation of $286 for the furniture in service in the third quarter percentage for the furniture ($1,000) by 0.28571 to get the depreciation of the furniture in service in the third quarter percentage for the furniture for the furniture for the first year. For the
second year, the adjusted basis of the furniture is $893. You figure this by subtracting the first year's depreciation ($107) from the basis of the furniture ($1,000). Your depreciation for the second year property is 0.40. You determine this by
dividing 2.00 (200%) by 5 years. The depreciation for the computer for a full year is $2,000 ($5,000 0.40). You placed the computer in service in the fourth quarter). The result, $250, is your deduction for depreciation on the computer for the first
year. For the second year, the adjusted basis of the computer is $4,750. You figure this by subtracting the first year is $1,900 ($4,750 0.40). Example 4200% DB method and half-year convention. Last year, in July, you bought and placed in
service in your business a new item of 7-year property. This was the only item of property you placed in service last year. The property cost $39,000 and you elected a $24,000 section 179 deduction. You also made an election under section 168(k)(7) not to deduct the special depreciation allowance for 7-year property placed in service last year. Your
unadjusted basis for the property is $15,000. Because you did not place any property in service in the last 3 months of your tax year, you used the half-year convention. You figured your deduction using the percentages in Table A-1 for 7-year property. Last year, your depreciation was $2,144 ($15,000 14.29% (0.1429)). In July of this year, your
property was vandalized. You had a deductible casualty loss of $3,000. You spent $3,500 to put the property back in operational order. Your adjusted basis at the end of this year is $13,356. You figured this by first subtracting the first year's depreciation ($2,144) and the casualty loss ($3,000) from the unadjusted basis of $15,000. To this amount
($9,856), you then added the $3,500 repair cost. You cannot use the table percentages to figure your depreciation for this property for this year because of the adjustments to basis. You must figure the deduction yourself. You determine the DB rate by dividing 2.00 (200%) by 7 years. The result is 0.28571 or 28.571%. You must figure the adjusted basis
of your property ($13,356) by the DB rate of 0.28571 to get your depreciation for this year. If your property has a carryover basis because you acquired it in a nontaxable transfer such as a like-kind exchange or involuntary conversion, you must generally figure depreciation for the property as if the transfer had not occurred.
However, see Like-kind exchanges and involuntary conversions, earlier, in chapter 3 under How Much Can You Deduct; and Property Acquired in a Like-Kind exchange or involuntary conversion over the remaining recovery
period of the property exchanged or involuntarily converted. You also generally continue to use the same or more accelerated depreciation method than the
property exchanged or involuntarily converted. The excess basis (the part of the acquired property basis), if any, of the acquired property is treated as newly placed in service property. For acquired property that has a longer recovery period or a less accelerated depreciation method than the exchanged or
 involuntarily converted property, you must generally depreciate the carryover basis of the acquired property as if it were placed in service in the same tax year as the exchanged or involuntarily converted property. You also generally continue to use the longer recovery period and less accelerated depreciation method of the acquired property. If the
MACRS property you acquired in the exchange or involuntary conversion is a new qualified property, discussed earlier in chapter 3 under What Is Qualified Property, you can claim a special depreciation allowance on the carryover basis. Special rules apply to vehicles acquired in a trade-in before 2018. For information on how to figure depreciation
for a vehicle acquired in a trade-in that is subject to the passenger automobile limits, see Deductions for Passenger Automobiles Acquired in a Trade-In under Do the Passenger Automobile limits, see Deductions for Passenger Automobiles Acquired in a Trade-In under Do the Passenger Automobile limits, see Deductions for Passenger Automobiles Acquired in a Trade-In under Do the Passenger Automobile Limits Apply? in chapter 5. .Like-kind exchanges of real property not held primarily for
sale.. You must depreciate MACRS property acquired by a corporation or partnership in certain nontaxable transfer had not occurred. You must depreciate the part of the
property's basis that exceeds its carryover basis (the transferor's adjusted basis in the property) as newly purchased MACRS property solely for
corporate stock or securities in a reorganization. A contribution of property to a partnership in exchange for a partnership interest. A partnership interest.
 discusses the rules for determining the depreciation deduction for property you place in service or dispose of in a short tax year. It also discusses the rules for determining depreciation when you have a short tax year during the recovery period (other than the year the property is placed in service or disposed of). For more information on figuring
depreciation for a short tax year, see Revenue Procedure 89-15, 1989-1 C.B. 816. The applicable convention establishes the date property is treated as placed in service and disposed of. Depreciation is allowable only for that part of the tax year the property is treated as in service. The recovery period begins on the placed in service date determined
by applying the convention. The remaining recovery period at the beginning of the next tax year is the full recovery period less the part for which depreciation was allowable in the first tax year beginning on the
first day of a month or ending on the last day of a month, the tax year consists of the number of months in the tax year lifthe short tax year. You determine the midpoint of the tax year by dividing the number of months in the tax year by 2. For the
half-year convention, you treat property as placed in service or disposed of on either the first day or the midpoint of a month. For example, a short tax year that begins on June 20 and ends on December 31 consists of 7 months. You use only full months for this determination, so you treat the tax year as beginning on June 1 instead of June 20. The
midpoint of the tax year is the middle of September (3 months from the beginning of the tax year). You treat property as placed in service or disposed of on this midpoint. Example. Tara Corporation, a calendar year taxpayer, was incorporated on March 15. For purposes of the half-year convention, it has a short tax year of 10 months, ending on
December 31, 2024. During the short tax year, Tara placed property in service on the first day of the sixth month of the short tax year, or August 1, 2024. Mid-quarter convention. To determine if you must use the mid-quarter convention, compare the basis of
property you place in service in the last 3 months of your tax year of 3 months or less, use the mid-quarter convention for all applicable property you place in service during that tax year. You treat property under the
mid-quarter convention as placed in service or disposed of on the midpoint of tax year in which it is placed in service or disposed of. Divide a short tax year into 4 quarters and determine quarters on the basis of whole months. The midpoint of
each quarter is either the first day or the midpoint of a month. Treat property as placed in service or disposed of on this midpoint. To determine the number of days in your short tax year. Determine the number of days in
preceding first day or midpoint of that month. Example. Tara Corporation, a calendar year taxpayer, was incorporated and began business on March 15. It has a short tax year of 9 months, ending on December 31. During December, it placed property in service for which it must use the mid-quarter convention. This is a short tax year of other than 4
or 8 full calendar months, so it must determine the midpoint of each quarter. First, it determine the length of each quarter, 73 days. Finally, it divides 73 by 2 to determine the midpoint of each quarter, the 37th day. The
following table shows the quarters of Tara Corporation's short tax year, the midpoint of each quarter that Tara must treat its property as placed in service. The last quarter of the short tax year. The 37th day of the last quarter is November
25, which is the midpoint of the quarter. November 25 is not the first day or the midpoint of November, so Tara Corporation must first determine
the depreciation for a full tax year. You do this by multiplying your basis in the property by the applicable depreciation for a full tax year. Do this by multiplying the depreciation for the short tax year. Do this by multiplying the depreciation for a full tax year.
the property is treated as in service during the tax year (applying the applicable convention). The denominator (bottom number) is 12. See Depreciation in later years. Example 1 half-year convention. Tara Corporation, with a short tax year beginning March 15 and ending
December 31, placed in service on March 16 an item of 5-year property with a basis of $1,000. This is the only property the corporation placed in service during the short tax year. Tara does not elect to claim a section 179 deduction and the property is the
200% declining balance method. The depreciation rate is 40% and Tara applies the half-year convention under Using the Applicable Convention in a Short Tax Year, earlier. Tara is allowed
5 months of depreciation for the short tax year that consists of 10 months. The corporation first multiplies the basis ($1,000) by 40% (the declining balance rate) to get the short tax year depreciation of $167. Example 2mid-quarter convention. Tara
Corporation, with a short tax year beginning March 15 and ending December 31, placed in service on October 16 an item of 5-year property with a basis of $1,000. Tara does not elect to claim a section 179 deduction and the property with a basis of $1,000. Tara does not elect to claim a section 179 deduction and the property with a basis of $1,000. Tara does not elect to claim a section 179 deduction and the property with a basis of $1,000. Tara does not elect to claim a section 179 deduction and the property with a basis of $1,000. Tara does not elect to claim a section 179 deduction and the property with a basis of $1,000. Tara does not elect to claim a section 179 deduction and the property with a basis of $1,000. Tara does not elect to claim a section 179 deduction and the property with a basis of $1,000. Tara does not elect to claim a section 179 deduction and the property with a basis of $1,000. Tara does not elect to claim a section 179 deduction and the property with a basis of $1,000. Tara does not elect to claim a section 179 deduction and the property with a basis of $1,000. Tara does not elect to claim a section 179 deduction and the property with a basis of $1,000. Tara does not elect to claim a section 179 deduction and the property with a basis of $1,000. Tara does not elect to claim a section 179 deduction and the property with a basis of $1,000. Tara does not elect to claim a section 179 deduction and the property with a basis of $1,000. Tara does not elect to claim a section 179 deduction and 179 dedu
balance method. The depreciation rate is 40%. The corporation must apply the mid-quarter convention because the property was the only item placed in service on September 1. This date is shown in the table provided in the example
illustrating the mid-quarter convention under Using the Applicable Convention in a Short Tax Year, earlier, for property that Tara Corporation placed in service during the quarter that begins on August 8 and ends on October 19. Under MACRS, Tara is allowed 4 months of depreciation for the short tax year that consists of 10 months. The corporation
first multiplies the basis ($1,000) by 40% to get the depreciation for a full tax year of $400. The corporation for that property, you must change the way you figure depreciation for that property. If you were
using the percentage tables, you can no longer use them. You must figure depreciation for the short tax year and each later tax year and each later tax year and each later tax year as explained next. You can use either of the following methods to figure the depreciation for years after a short tax year and each later tax year and each later
Example. Assume the same facts as in Example 1 under Property Placed in Service in a Short Tax Year, earlier. Tara Corporation claimed depreciation of $167 for its short tax year is $833 ($1,000 $167). Tara's depreciation for that next year is 40% of $833, or $333.Example. Assume the same facts as
in Example 1 under Property Placed in Service in a Short Tax Year, earlier. Tara Corporation's first tax year after the short tax year for the 5-year property placed in service during the short tax year extends from August 1 to July 31. Tara deducted 5
months of the first recovery year on its short-year tax return. Seven months of the first recovery year and 5 months of the first recovery year and 5 months of the second recovery year ($400 7/12). $100The depreciation for the second recovery year and 5 months of the first recovery year and 5 months of the first recovery year and 5 months of the second recovery year and 5 months of the first recovery year and 5 months year and 5 months of the first recovery year and 5 months year a
recovery year. This is figured by multiplying the adjusted basis of $600 ($1,000 $400) by 40% (0.40), then multiplying the $240 result by 5/12. To make it easier to figure MACRS depreciation, you can group separate properties into one or more general asset accounts (GAAs). You can then depreciate all the properties in each account as a single item.
of property. Each GAA must include only property you placed in service in the same tax year and that has the following rules also apply when you establish a GAA. Mid-quarter convention. Property subject to the mid-quarter convention can only be grouped into a GAA with
property placed in service in the same quarter of the tax year. Mid-month convention. Property subject to the mid-month convention can only be grouped into a GAA with property placed in service in the same month of the tax year. Passenger automobiles subject to the limits on passenger automobile depreciation must be
grouped into a separate GAA. See section 1.168(i)-1(c)(2)(ii) of the regulations for additional rules that apply when you establish a GAA. After you have set up a GAA, you generally figure the MACRS depreciation for it by using the applicable depreciation for it by using the applicable depreciation method, recovery period, and convention for the property in the GAA. For each GAA, record the
depreciation allowance in a separate depreciation reserve account. Example. Make & Sell, a calendar year corporation, set up a GAA for 10 machines cost $8,200 and the rest cost a total of $1,800. This GAA is depreciated under the 200% declining
balance method with a 5-year recovery period and a half-year convention. Make & Sell did not claim the section 179 deduction on the machines and the machines and the machines did not qualify for a special depreciation reserve account is
$2,000. When you dispose of property included in a GAA, the following rules generally apply. Neither the unadjusted depreciate the account as if the disposition had not occurred. The property is treated as having an adjusted basis of zero, so
you cannot realize a loss on the disposition. If the property is transferred to a supplies, scrap, or similar account is zero. Any amount realized on the disposition is treated as ordinary income, up to the limit discussed later
under Terminating GAA Treatment. Example 1. The facts are the same as in the example under Figuring Depreciation for a GAA, earlier. In February 2024, Make & Sell sells the machine is treated as having an adjusted basis of zero. On its 2024 tax return, Make & Sell recognizes the
$9,000 amount realized as ordinary income because it is not more than the GAA's unadjusted depreciable basis ($10,000) plus any expensed cost (for example, the section 179 deduction) for property in the GAA ($0). The
unadjusted depreciable basis and depreciation reserve of the GAA are not affected by the sale of the machine. The depreciation allowance for the GAA in 2024 is $3,200 [($10,000 $2,000) 40% (0.40)]. Example 2. Assume the same facts as in Example 2. Assume the same facts as in Example 3. In June 2025, Make & Sell sells seven machines to an unrelated person for a total of $1,100. These
machines are treated as having an adjusted basis of zero. On its 2025 tax return, Make & Sell recognized sordinary income ($9,000). The remaining amount realized of $100 ($1,100 $1,000) is
section 1231 gain (discussed in chapter 3 of Pub. 544). The unadjusted depreciation reserve of the GAA are not affected by the disposition of the machines. The depreciation allowance for the GAA in 2025 is $1,920 [($10,000 $5,200) 40% (0.40)]. You must remove the following property from a GAA. Property held by a partnership
that terminates under section 708(b)(1). Property you dispose of in a nonrecognition or an abusive transaction or an abusive transaction or an abusive transaction or an abusive transaction or an involuntary conversion. Property
you change to personal use. Property for which you must recapture any allowable credit for gualified electric vehicles, the credit for gualified electric vehicles and clean-fuel vehicle refueling property placed in
service before 2006. If you remove property from a GAA, you must make the following adjustments. Reduce the unadjusted depreciable basis of the graph transposition, change in use, partnership technical termination, or recapture event occurs. You can use
any reasonable method that is consistently applied to determine the unadjusted depreciation reserve account by the depreciation allowed or allowable for the property (computed in the same way as computed for the GAA) as of the end of the tax year immediately preceding the
year in which the disposition, change in use, or recapture event occurs. These adjustments have no effect on the recognition and character of prior dispositions, a calendar year corporation, maintains one GAA for 12 machines. Each machine costs $15,000 and
was placed in service in 2022. Of the 12 machines, nine cost a total of $135,000 and are used in Sankofa's New Jersey plant. Assume this GAA uses the 200% declining balance method, a 5-year recovery period, and a half-year convention. Sankofa does not claim the section
179 deduction and the machines do not qualify for a special depreciation allowance. As of January 1, 2024, the depreciation reserve account for the GAA is $93,600. In May 2024, Sankofa sells its entire manufacturing plant in New Jersey plant is
$5,000. This transaction is a qualifying disposition, so Sankofa chooses to remove the three machines from the GAA and figure the gain, loss, or other deduction by taking into account their adjusted bases. For Sankofa's 2024 return, the depreciation allowed or
allowable for the three machines at the New Jersey plant is $23,400. As of January 1, 2024, the unadjusted depreciable bases of the GAA is reduced from $180,000 to $135,000 ($180,000 minus the $45,000 unadjusted depreciable bases of the GAA is reduced from $180,000 to $70,200 ($93,600 minus the $45,000 unadjusted depreciable bases of the Unadjusted dep
$23,400 depreciation allowed or allowable for the GAA in 2024 is $25,920 [($135,000 $70,200) 40% (0.40)]. For Sankofa's 2024 return, gain or loss for each of the three machines at the New Jersey plant is determined as follows. The depreciation allowed or allowable in
2024 for each machine is $1,440 [(($15,000 $7,800) 40% (0.40)) 2]. The adjusted basis of each machine is $5,760 (the adjusted basis of $7,200 removed from the account less the $1,440 depreciation allowed or allowable in 2024). As a result, the loss recognized in 2024 for each machine is $7,60 ($5,760 $5,000). This loss is subject to
section 1231 treatment. See chapter 3 of Pub. 544 for information on section 1231 losses. Example. Duforcelf, a calendar year corporation, maintains a GAA for 1,000 calculators that cost a total of $60,000 and were placed in service in 2021. Assume this GAA is depreciated under the 200% declining balance method, has a recovery period of 5 years,
and uses a half-year convention. Duforcelf does not claim the section 179 deduction and the calculators to an unrelated person for $10,000. The $10,000 is recognized as ordinary income. In March 2024, Duforcelf sells the remaining calculators in the
GAA to an unrelated person for $35,000. Duforcelf decides to end the GAA. On the date of the disposition, the adjusted depreciable basis of $60,000 minus the depreciable basis of $60,000 minus the depreciable basis of $35,000. Duforcelf decides to end the GAA. On the date of $35,000 minus the depreciable basis of $60,000 minus the depreciable basis of $60,000 minus the depreciable basis of $60,000 minus the depreciable basis of $35,000.
minus the adjusted depreciable basis of $23,040. The gain subject to recapture as ordinary income ($36,960 $10,000 = $26,960). Therefore, the entire gain of $11,960 is recaptured as ordinary income. An election to include property in a
GAA is made separately by each owner of the property in a GAA must be made by each member of a consolidated group and at the partnership or S corporation level (and not by each member of a consolidated group and at the partnership or S corporation level (and not by each member of a consolidated group and at the partnership or S corporation level (and not by each member of a consolidated group and at the partnership or S corporation level (and not by each member of a consolidated group and at the partnership or S corporation level (and not by each member of a consolidated group and at the partnership or S corporation level (and not by each member of a consolidated group and at the partnership or S corporation level (and not by each member of a consolidated group and at the partnership or S corporation level (and not by each member of a consolidated group and at the partnership or S corporation level (and not by each member of a consolidated group and at the partnership or S corporation level (and not by each member of a consolidated group and at the partnership or S corporation level (and not by each member of a consolidated group and at the partnership or S corporation level (and not by each member of a consolidated group and at the partnership or S corporation level (and not by each member of a consolidated group and at the partnership or S corporation level (and not by each member of a consolidated group and at the partnership or S corporation level (and not by each member of a consolidated group and at the partnership or S corporation level (and not by each member of a consolidated group and at the partnership or S corporation level (and not by each member of a consolidated group and at the partnership or S corporation level (and not by each member of a consolidated group and at the partnership or S corporation level (and not by each member of a consolidated group and at the partnership or S corporation level (and not by each member of a consolidated group and at the partnership or S corporation level (and n
establish the unadjusted depreciable basis and depreciation reserve of the GAA, and that reflect the amount realized during the year upon dispositions from each GAA. However, see chapter 2 for the recordkeeping requirements for section 179 property. . When you dispose of property that you depreciated using MACRS, any gain on the disposition is
generally recaptured (included in income) as ordinary income up to the amount of the depreciation previously allowed or allowable for the property. Any deduction under section 179B of the Internal Revenue Code for capital costs to comply with
Environmental Protection Agency sulfur regulations. Any deduction under section 179C of the Internal Revenue Code for certain qualified refinery property placed in service after August 8, 2005, and before January 1, 2014. Any deduction under section 179D of the Internal Revenue Code for certain qualified refinery property placed in service after August 8, 2005, and before January 1, 2014. Any deduction under section 179D of the Internal Revenue Code for certain qualified refinery property placed in service after August 8, 2005, and before January 1, 2014. Any deduction under section 179D of the Internal Revenue Code for certain qualified refinery property placed in service after August 8, 2005, and before January 1, 2014. Any deduction under section 179D of the Internal Revenue Code for certain qualified refinery property placed in service after August 8, 2005, and before January 1, 2014. Any deduction under section 179D of the Internal Revenue Code for certain qualified refinery property placed in service after August 8, 2005, and before January 1, 2014. Any deduction under section 179D of the Internal Revenue Code for certain qualified refinery property placed in service after August 8, 2005, and before January 1, 2014. Any deduction under section 179D of the Internal Revenue Code for certain qualified refinery property placed in service after August 8, 2005, and before January 1, 2014. Any deduction under section 179D of the Internal Revenue Code for certain qualified refinery property placed in service after August 8, 2005, and before January 1, 2014. Any deduction under section 179D of the Internal Revenue Code for certain qualified refinery property placed in service after August 8, 2005, and before January 1, 2014. Any deduction under section 179D of the Internal Revenue Code for certain qualified refinery property placed in section 179D of the Internal Revenue Code for certain qualified refinery placed in section 179D of the Internal Revenue Code for certain qualified refinery placed in section 179D of 
placed in service after December 31, 2005. Any deduction under section 179E of the Internal Revenue Code for qualified advanced mine safety equipment property placed in service after December 20, 2006, and before January 1, 2018. Any deduction under section 190 of the Internal Revenue Code for removal of barriers to the disabled and the
elderly. Any deduction under section 193 of the Internal Revenue Code for tertiary injectants. Any special depreciation allowance previously allowed or allowable for the property is qualified property for which you
claimed a special depreciation allowance. For more information on depreciation recapture, see Pub. 544. This chapter discusses the deduction limits and other property used for entertainment, and certain
computers. Deductions for listed property (other than certain leased property) are subject to the following special rules and limits. Deduction for employees. If your use of the property is not for your employeer's convenience or is not required as a condition of your employeers.
property as an employee. Business-use requirement. If the property is not used preciation allowance. For business aircraft, there is also a 25% test that must be met. In addition, you must figure any depreciation deduction under
MACRS using the straight line method over the ADS recovery period. You may also have to recapture (include in income) any excess depreciation claimed in previous vears. A similar inclusion amount applies to certain leased property. Passenger automobile limits and rules. Annual limits apply to depreciation deductions (including section 179).
deductions and any special depreciation allowance) for certain passenger automobiles. You can continue to deduct depreciation for the unrecovered basis resulting from these limits after the end of the recovery period. This chapter defines listed property and explains the special rules and depreciation deduction limits that apply, including the special
inclusion amount rule for leased property and explains how to report information about the property on your tax return. You may want to see: Publication 463 Travel, Gift, and Car Expenses 587 Business Use of Your Home Form (and Instructions) 2106 Employee Business Expenses 4562
Depreciation and Amortization 4797 Sales of Business Property See How To Get Tax Help at the end of this publication for information about getting publication and forms. Listed property used for transportation, unless it is an
excepted vehicle. Property generally used for entertainment, recreation, or amusement (including photographic, phonographic, phonographic, communication, and video recording equipment). A passenger automobile is any four-wheeled vehicle made primarily for use on public streets, roads, and highways and rated at 6,000 pounds or less of unloaded gross vehicle
weight (6,000 pounds or less of gross vehicle weight for trucks and vans). It includes any part, component, or other item physically attached to the automobile at the time of purchase price of an automobile at the time of purchase price of an automobile at the time of purchase price of an automobile at the time of purchase price of an automobile at the time of purchase price of an automobile at the time of purchase price of an automobile at the time of purchase price of an automobile at the time of purchase price of an automobile at the time of purchase price of an automobile at the time of purchase price of an automobile at the time of purchase price of an automobile at the time of purchase price of an automobile at the time of purchase price of an automobile at the time of purchase price of an automobile at the time of purchase price of an automobile at the time of purchase price of an automobile at the time of purchase price of an automobile at the time of purchase price of an automobile at the time of purchase price of an automobile at the time of purchase price of an automobile at the time of purchase price of an automobile at the time of purchase price of an automobile at the time of purchase price of an automobile at the time of purchase price of an automobile at the time of purchase price of an automobile at the time of purchase price of an automobile at the time of purchase price of an automobile at the time of purchase price of an automobile at the time of purchase price of an automobile at the time of purchase price of an automobile at the time of purchase price of an automobile at the time of purchase price of an automobile at the time of purchase price of an automobile at the time of purchase price of an automobile at the time of purchase price of an automobile at the time of purchase price of an automobile at the time of automobile at the time 
or combination ambulance-hearse used directly in a trade or business. A vehicle used directly in the trade or business of transporting persons or property for pay or hire. A truck or van that is a qualified nonpersonal use vehicle. For a detailed discussion of passenger automobiles, including leased passenger automobiles, see Pub. 463. A business
aircraft may be depreciated using straight line depreciation over its useful life. Business aircraft may also be eligible for accelerated depreciation including the section 179 election deduction, the special depreciation allowance, and MACRS which allows the aircraft owner to immediately expense a portion of the aircraft if certain tests are met. These
tests are based on the gualified business use of the aircraft. Qualified business use is defined as any use in a trade or business aircraft, you must meet the 50% test under section 280F(b) of the Internal Revenue Code and the 25% test under section 280F(d)(6)(C)(ii) of the
Internal Revenue Code. Failure to meet either of these tests disqualified business use is determined on a flight-by-flight basis and each passenger on every flight leg must be classified business or non-qualified business use. You must
also maintain contemporaneous records to substantiate the following. The amount of the aircraft expense. Time and place of travel. Business purpose of the travel. Business relationship of each individual using the aircraft expense. Time and place of travel. Business relationship of each individual using the aircraft.
aircraft and fail to meet either the 25% or 50% gualified business-use tests at any time during the class life for the aircraft, then the aircraft is placed on straight line depreciation. You must also recapture, as ordinary income, the excess depreciation claimed using accelerated depreciation in prior years over the amount which would have been
allowable for the aircraft using the straight line method of depreciation under ADS. If you are an employee, you can claim a depreciation deduction for the use of your property in performing services as an employee is a
business use only if both the following requirements are met. The use is for your employer's convenience. The use is requirements are met are condition of your employee. Employee expenses for
transportation and for the depreciation of certain listed property (such as computers placed in service before 2018) paid or incurred in a tax year beginning after December 31, 2017, and before January 1, 2026, may not be claimed as a miscellaneous itemized deduction subject to the 2% floor. If you are not entitled to claim these expenses as an
above-the-line deduction, you may not claim a deduction for the expense on your 2024 return. Condition of employment. Whether the use of listed property must be required for you to perform your duties properly. Your employer does not have to require
explicitly that you use the property. However, a mere statement by the employer that the use of the property is a condition of your employment is not sufficient. Example 1. Virginia owns and uses a motorcycle to deliver packages to downtown offices.
We Deliver explicitly requires all delivery persons to own a car or motorcycle for use in their employment. Example 2. You are an inspector for Uplift, a construction company with many sites in the local area. You must travel to these
sites on a regular basis. Uplift does not furnish an automobile or explicitly require you to use your own automobile is for the convenience of Uplift and is required as a condition of employment. Example 3. Assume the
same facts as in Example 2, except that Uplift furnishes a car to you, and you choose to use your own car is neither for the convenience of Uplift nor required as a condition of employment. Example 4. Marilyn Lee is a pilot for Y Company, a small charter airline. Y requires pilots to obtain 80
hours of flight time annually in addition to flight time spent with the airline. Pilots can usually obtain these hours by flying with the Air Force Reserve or by flying part-time with another airline. Marilyn owns an airplane to obtain the required flight hours is neither for the convenience of the employer nor required as a
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Irs property depreciation table. Irs rental property depreciation table. Irs depreciation tables 2022. Depreciation irs rental property.