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Code Arranged Explanations

EXP §1684.025 Additional first-year depreciation (bonus depreciation) for “qualified property.”

For “qualified property” (certain new property that, generally, must be acquired and placed in service in after 2007 and before 2014, see §1684.026 et seq.), there is available an additional depreciation deduction (bonus depreciation) for the tax year in which the property is placed in service. **Code Sec. 168(k)(1)(A)**. Specifically, except as provided in **Reg §1.168(k)-1(f)** (see the observation immediately below), the bonus depreciation is allowable in the year that the property is placed in service by the taxpayer for use in its trade or business or for the production of income. **Reg §1.168(k)-1(d)(1)(i)**.

OBSERVATION: Presumably, the provisions in **Reg §1.168(k)-1(f)** referred to in **Reg §1.168(k)-1(d)(1)(i)** (above) are those in **Reg §1.168(k)-1(f)(1)** (concerning property disposed of in the placed-in-service year, see §1684.0252), **Reg §1.168(k)-1(f)(2)** (concerning basis redeterminations, see §1684.0252) and **Reg §1.168(k)-1(f)(5)** (concerning changes in use, see §1684.0252).

The bonus depreciation equals 50% of the adjusted basis of the qualified property, except as discussed at §1684.0251 for property eligible for 100% bonus depreciation. **Code Sec. 168(k)(1)(A)**; **Code Sec. 168(k)(5)**. For the election to not be allowed the bonus depreciation, see §1684.0291.

The adjusted basis of the qualified property is reduced by the amount of the deduction before computing the amount otherwise allowable as a depreciation deduction for the tax year and any later tax year. **Code Sec. 168(k)(1)(B)**.

OBSERVATION: In **Code Sec. 168(k)(1)** (above), “adjusted basis” is the term used to refer to the amount that is multiplied by 50% (or 100%) to arrive at the allowable bonus depreciation. In **Reg §1.168(k)-1** (below), the terminology used is “unadjusted depreciable basis.”


Thus, except as provided in **Reg §1.168(k)-1(f)(5)** (concerning property involved in a like-kind exchange or involuntary conversion, see §1684.048), the bonus depreciation is determined by multiplying the “unadjusted depreciable basis” (see that subheading below) by the bonus depreciation percentage. **Reg §1.168(k)-1(d)(1)(i)**. Then, to determine the amount otherwise allowable as a depreciation deduction (i.e., the depreciation other than the bonus depreciation) for the property for the placed-in-service year, or any later year, the taxpayer (1) reduces the “unadjusted depreciable basis” by the amount of bonus depreciation allowed or allowable, whichever is greater, to arrive at a “remaining adjusted depreciable basis,” and (2) depreciates this “remaining adjusted depreciable basis” of the property using the applicable depreciation provisions of the Code. **Reg §1.168(k)-1(d)(2)(i)**.


Example (1). In Year Y, S buys property eligible for 50% bonus depreciation and places it in service. The property's cost is \$1,000 and the property is 5-year MACRS property subject to the half-year convention (see §1684.01). The amount of 50% bonus depreciation allowed is \$500. The remaining \$500 of the cost is deductible under the rules applicable to 5-year MACRS property (see §1684.01). Thus, 20% (i.e. \$100) is allowed as a depreciation deduction in Year Y. Thus, the total depreciation deduction for the property for Year Y is \$600. The remaining \$400 of the property's cost is recovered under otherwise applicable rules for computing depreciation. Joint Comm Staff, Tech Expln of the Small Business Jobs Act of 2010 (JCX-47-10), 9/16/2010, p. 9 at §1681.0000088.

Where the qualified property is MACRS property, the “remaining adjusted depreciable basis” of the qualified property is also the basis


to which the annual depreciation rates in the optional depreciation tables apply (see [¶1685.02](#)). [Reg §1.168\(k\)-1\(d\)\(2\)\(i\)](#).

Regs provide a numerical illustration of the above rules. [Reg §1.168\(k\)-1\(d\)\(3\)](#), Ex 2.

 **OBSERVATION:** [Code Sec. 168\(k\)\(1\)](#) (above) doesn't specify whether the half-year or mid-quarter depreciation conventions, see [¶1684.01](#), or the mid-month convention, see [¶1684.02](#), apply to the additional first-year depreciation. However, the illustrations in the Committee Report (above) and [Reg §1.168\(k\)-1\(d\)\(3\)](#), Ex 2. (above) indicate that, for qualified property, the depreciation conventions *don't* apply; i.e., in each example, the additional first-year depreciation is *not* reduced below the applicable percentage amount (as the use of a convention would have required).

 **CAUTION:** Although, as discussed immediately above, it appears that depreciation conventions don't apply to the additional first-year depreciation itself, the conventions apply to the other first-year depreciation deductions allowed for qualified property. Further, the placement of qualified property into service during the last quarter of a tax year may sometimes cause the taxpayer to be required to use a mid-quarter convention, rather than a half-year convention, for *all* of the taxpayer's MACRS property (other than buildings and railroad gradings or tunnel bores) placed into service during that tax year (and not disposed of during that tax year), see [¶1684.01](#).


Example (2). On June 1, Year 1, W, a calendar-year taxpayer, acquires and places in service property eligible for 50% bonus depreciation that is 5-year MACRS property, and that costs \$1 million. Assume that W doesn't make an election to forgo the additional first-year depreciation ([¶1684.0291](#)). Applying the 200% declining balance method (switching to the straight-line method when that method yields larger deductions), the half-year convention, and the annual percentages prescribed in the appropriate IRS table appearing in [Rev. Proc. 87-57, 1987-2 CB 687](#) (see [¶1685.02](#)), T's \$1,000,000 of allowable depreciation deductions are distributed over the six tax years for which depreciation is allowable, see [¶1684.01](#), as follows: for Year 1, \$600,000, i.e., \$500,000 of bonus depreciation *plus* "regular" depreciation of \$100,000 (20% of \$500,000); for Year 2, \$160,000 (32% of \$500,000); for Year 3, \$96,000 (19.20% of \$500,000); for Year 4, \$57,600 (11.52% of \$500,000); for Year 5, \$57,600 (11.52% of \$500,000); and for Year 6, \$28,800 (5.76% of \$500,000).

 **OBSERVATION:** The additional first-year depreciation provided under [Code Sec. 168\(k\)](#) isn't the same as the net additional first-year depreciation provided under [Code Sec. 168\(k\)](#). For example, although [Code Sec. 168\(k\)](#) generally provides for an additional first-year depreciation allowance of 50% for "qualified property," the *net additional depreciation* that is allowed for the first year is less than 50%. This can be seen by comparing the 60%-of-original-basis allowed as depreciation for the first tax year in Example 2 (above) with the 20%-of-original-basis allowed as depreciation for the first tax year in the Example at [¶1684.0291](#), in which property the same as that in Example 2 is depreciated under an election to not claim any additional first-year depreciation. The net difference, and, thus, the net additional first-year depreciation provided by [Code Sec. 168\(k\)](#) is 40%, rather than 50%, because, in Example 2, as required where additional first-year depreciation is claimed, the basis of the property is reduced by the 50% depreciation allowance before the "regular" first-year depreciation is calculated.

Except as provided in [Reg §1.168\(k\)-1\(f\)\(1\)](#) (concerning property placed in service and disposed of in the same tax year, see [¶1684.0252](#)), the amount of the additional first-year depreciation isn't affected by a short tax year. [Reg §1.168\(k\)-1\(d\)\(1\)\(i\)](#). Thus, the additional first-year depreciation generally is determined without any proration based on the length of the tax year in which the qualified property is placed in service. [Rev. Proc. 2002-33, Sec. 2.02, 2002-20 IRB 963](#). However, the depreciation deduction for the remaining adjusted depreciable basis is affected by a tax year of less than 12 months. [Reg §1.168\(k\)-1\(d\)\(2\)\(i\)](#).

The additional first-year depreciation deduction is subject to the general rules regarding whether an item is deductible under [Code Sec. 162](#) or subject to capitalization under [Code Sec. 263](#) (the regular capitalization rules, see [¶2634](#)) or [Code Sec. 263A](#) (the uniform capitalization, or UNICAP, rules, see [¶263A4](#)). Joint Comm Staff, Tech Expln of the Economic Stimulus Act of 2008 (JCX-16-08), 2/8/2008, p. 11 at [¶1681.000016](#).

The IRS stated that for purposes of the 50% bonus depreciation provided by the 2008 Economic Stimulus Act (PL 110-185, see "Prior law" below), rules similar to the rules in [Reg §1.168\(k\)-1](#)(above) for "50-percent bonus depreciation property" (see "Prior law" below) or for the "30-percent additional first year depreciation deduction" (sic) (see "Prior law" below) apply. However, in applying [Reg §1.168\(k\)-1\(d\)\(1\)\(i\)](#), the computation of the bonus depreciation is (as reflected above) made in accordance with the rules for "50-percent bonus depreciation property." [Rev. Proc. 2008-54, Sec. 5.01, 2008-38 IRB 722](#).

 **OBSERVATION:** Based on [Rev Proc 2008-54](#) (immediately above) it may be presumed that, with appropriate adjustments for

varying dates and bonus depreciation percentages, the IRS intends to apply the rules in [Reg §1.168\(k\)-1](#) to the bonus depreciation provided by the 2008 Economic Stimulus Act as *extended by* later legislation (see "Prior law" below). This interpretation is reflected in the treatment of [Reg §1.168\(k\)-1](#) above and below.

Entities that have a tax year that begins in calendar year 2007 and ends in calendar year 2008 (a fiscal year) and that are claiming bonus depreciation for qualified property placed in service after Dec. 31, 2007 must use Form 4562-FY. Entities that use Form 4562-FY to report bonus depreciation also use the form to (1) claim other depreciation and amortization, (2) make the election under [Code Sec. 179 \(¶1794 et seq.\)](#) and (3) provide information on the business or investment use of autos and other listed property. Instructions to Form 4562-FY , (2007) , p. 1 .

For the effect of certain later transactions, basis redeterminations and changes in use on otherwise-allowable additional first-year depreciation, see [¶1684.0252](#).

For the availability of additional first-year depreciation in like-kind exchanges and involuntary conversions, see [¶1684.047](#) and [¶1684.048](#).

For the coordination of the additional first-year depreciation available for qualified property with the additional first-year depreciation available for certain other types of property, see **Coordination with other bonus depreciation provisions** below.

For the coordination of the additional first-year depreciation available for qualified property with certain other provisions, see **Coordination with other rules** below.

For the extent to which, for an automobile that is qualified property, the first-year dollar limit on the depreciation allowable is higher than for other automobiles, see [¶1684.0281](#).

For the extent to which the additional first-year depreciation is subject to the special recapture rules for "listed property," see [¶1684.0282](#).

For an election under which a corporation that forgoes bonus depreciation and accelerated depreciation is immediately allowed certain tax credits that would otherwise be deferred, see [¶1684.0293](#).

AMT computation.

The additional first year depreciation for qualified property is allowed for alternative minimum tax (AMT) purposes ([¶564 et seq.](#)) for the tax year in which the property is placed in service by the taxpayer. The additional first-year depreciation is based on the "unadjusted depreciable basis" (below) for AMT purposes. [Reg §1.168\(k\)-1\(d\)\(1\)\(iii\)](#).

[Reg §1.168\(k\)-1\(f\)\(5\)\(iii\)\(D\)](#) (explained at [¶1684.048](#)) provides rules for the allowance of additional first-year depreciation for property acquired in a like-kind exchange or involuntary conversion. [Reg §1.168\(k\)-1\(d\)\(1\)\(iii\)](#). The depreciation deduction allowable for the "remaining adjusted depreciable basis" (see above) of the property is based on the remaining adjusted depreciable basis for AMT purposes. That remaining basis is depreciated using the same depreciation method, recovery period (or useful life for computer software), and convention that apply to the property for regular tax purposes. [Reg §1.168\(k\)-1\(d\)\(2\)\(ii\)](#) .


For the extent to which qualified property, in addition to being eligible for additional first-year depreciation, is exempt from the depreciation adjustment that is otherwise required for alternative minimum tax (AMT) purposes, see [¶1684.029](#).

Unadjusted and adjusted depreciable basis.

For purposes of bonus depreciation, unadjusted depreciable basis is the basis of property for purposes of [Code Sec. 1011](#) (see [¶10,114 et seq.](#)) without regard to any adjustments described in [Code Sec. 1016\(a\)\(2\)](#) or [Code Sec. 1016\(a\)\(3\)](#) (adjustments for "depreciation allowable," see [¶10,164.25 et seq.](#)). This basis, however, reflects reductions in basis for (1) the percentage of the taxpayer's use of property for the tax year other than in the taxpayer's trade or business (or for the production of income), (2) any portion of the basis the taxpayer properly elects to treat as an expense under [Code Sec. 179](#) (general expensing election, [¶1794 et seq.](#)) or [Code Sec. 179C](#) (election to expense certain refinery property, [¶179C4 et seq.](#)) and (3) any adjustments to basis provided by other provisions of the Code and regulations (other than under [Code Sec. 1016\(a\)\(2\)](#) or [Code Sec. 1016\(a\)\(3\)](#)). An example of an adjustment required by a Code provision is a reduction in basis by the amount of the disabled access credit as required under [Code](#)

Sec. 44(d)(7) (see ¶444). Applicable to the above definition of unadjusted depreciable basis is **Code Sec. 167(c)(2)** (which, for leased property, allocates depreciable basis to the property and not the leasehold interest). **Reg §1.168(k)-1(a)(2)(iii)**.

For property described in **Code Sec. 168(k)(2)(B)** (certain property with a long-production period, see ¶1684.027), the unadjusted depreciable basis of property is limited to the unadjusted depreciable basis attributable to manufacture, construction, or production before Jan. 1, 2013. **Reg §1.168(k)-1(d)(1)(ii)**.

 **OBSERVATION: Reg §1.168(k)-1(d)(1)(ii)** (immediately above) states that it applies for purposes of the definition of unadjusted depreciable basis in Reg §1.168(k)-1T(a)(2)(iii). Presumably, the intended reference is to the definition in **Reg §1.168(k)-1(a)(2)(iii)** (explained above).

For purposes of bonus depreciation, adjusted depreciable basis is the unadjusted depreciable basis as defined above reduced by the adjustments described at **Code Sec. 1016(a)(2)** or **Code Sec. 1016(a)(3)** (see above). **Reg §1.168(k)-1(a)(2)(iv)**.

Depreciable property and MACRS property.

For purposes of bonus depreciation, depreciable property is property that is property of a character subject to depreciation under **Code Sec. 167** and the regulations under **Code Sec. 167** (¶1674.006 et seq.) **Reg §1.168(k)-1(a)(2)(i)**.

For purposes of bonus depreciation, MACRS property is tangible depreciable property placed in service after Dec. 31, '86 (or after July 31, '86 if the taxpayer made the election under section 203(a)(1)(B) of the Tax Reform Act of '86 (PL 99-514, see ¶1684.04)) and subject to **Code Sec. 168**, except for property excluded from **Code Sec. 168** as a result of an election under **Code Sec. 168(f)** (see **Property covered by MACRS** at ¶1684) or as a result of a transitional rule (see ¶1684.05). **Reg §1.168(k)-1(a)(2)(ii)**; **Sec. 203(a)(1)(B), PL 99-514, 10/22/86** as amend by **Sec. 1002(c)(1), PL 100-647, 11/10/88**.

Coordination with other bonus depreciation provisions. For the coordination of the additional first-year depreciation available for qualified property with the additional first-year depreciation for "qualified cellulosic biofuel plant property," see ¶1684.08.

For the coordination of the additional first-year depreciation available for qualified property with the additional first-year depreciation for certain biofuel plant property, see ¶1684.087.

For the coordination of the additional first-year depreciation available for qualified property with the additional first-year depreciation for "qualified reuse and recycling property," see ¶1684.092.

For the coordination of the additional first-year depreciation available for qualified property with the additional first-year depreciation for "qualified Gulf Opportunity Zone (GO Zone) property," see ¶1400N4.021.

For the coordination of the additional first-year depreciation available for qualified property with the additional first-year depreciation for "qualified New York Zone Liberty property," see ¶14,00L4.06.

Coordination with other rules.

The regulations explained under the subheadings below coordinate the additional first year depreciation available for qualified property with certain other tax rules. **Reg §1.168(k)-1(f)(3)**, **Reg §1.168(k)-1(f)(4)**, **Reg §1.168(k)-1(f)(7)**, and **Reg §1.168(k)-1(f)(9)** through **Reg §1.168(k)-1(f)(11)**.

Code Sec. 1245 and Code Sec. 1250 recapture.

For purposes of **Code Sec. 1245** and the regulations under **Code Sec. 1245**, the additional first-year depreciation deduction for qualified property is an amount allowed or allowable for depreciation (see ¶12,454.05). Also, for purposes of **Code Sec. 1250(b)** and the regulations under **Code Sec. 1250(b)**, the additional first-year depreciation deduction for qualified property isn't considered a straight-line method (see ¶12,504 and ¶12,504.06). **Reg §1.168(k)-1(f)(3)**.

Code Sec. 169 pollution control facilities.

The additional first-year depreciation deduction for qualified property is allowable in the placed in service year of a certified pollution

control facility (as defined in [Reg §1.169-2\(a\)](#), see [¶1694](#)) that is eligible for the additional first-year depreciation, even if the taxpayer makes the election to amortize the facility under [Code Sec. 169](#) and the regulations under [Code Sec. 169](#) in the facility's placed-in-service year (see [¶1694](#)). [Reg §1.168\(k\)-1\(f\)\(4\)](#). For the effect of the additional first-year depreciation on the amortizable basis of the facility, see [¶1694](#).

Earnings and profits.

The additional first-year depreciation deduction for qualified property isn't allowable for computing earnings and profits (under [Code Sec. 312](#), see [¶3124.04](#)). [Reg §1.168\(k\)-1\(f\)\(7\)](#).

Section 754 election.

In general, any increase in the basis of qualified property due to a section 754 election (which adjusts the basis of partnership property in the event of certain partnership distributions and transfers of partnership interests, see [¶7544](#)) isn't eligible for the additional first-year depreciation deduction available for qualified property. However, if the qualified property is placed in service by a partnership in the tax year that the partnership terminates under [Code Sec. 708\(b\)\(1\)\(B\)](#) (a "technical" termination due to certain 50%-or-more sales or exchanges of partnership interests, see [¶7084](#)), any increase in basis of the qualified property due to a section 754 election is eligible for the additional first-year depreciation deduction. [Reg §1.168\(k\)-1\(f\)\(9\)](#). The IRS provided the rule that generally denies additional first-year depreciation for basis increases due to section 754 elections because an increase in basis due to a section 754 election doesn't satisfy the "original use" requirement. Preamble to TD9091, 9/5/2003.

Rehabilitation credit. If qualified rehabilitation expenditures ([¶474](#)) incurred by a taxpayer with respect to a qualified rehabilitated building ([¶474](#)) are property eligible additional first-year depreciation, the rehabilitation credit can be claimed (assuming other requirements of the credit are met) under the rules explained below. [Reg §1.168\(k\)-1\(f\)\(10\)\(i\)](#).

The credit can be claimed with respect to the portion of the basis of the qualified rehabilitated building that is attributable to the qualified rehabilitation expenditures if the taxpayer makes the applicable election, explained at [¶1684.0291](#), not to deduct any additional first-year depreciation for the class of property that includes the qualified rehabilitation expenditures. [Reg §1.168\(k\)-1\(f\)\(10\)\(i\)\(A\)](#).

The credit can be claimed with respect to the portion of the "remaining rehabilitated basis" (see below) of the qualified rehabilitated building that is attributable to the qualified rehabilitation expenditures if the taxpayer claims the additional first-year depreciation on the "unadjusted depreciable basis" (see below) of the qualified rehabilitation expenditures and the taxpayer depreciates the "remaining adjusted depreciable basis" (see discussion of [Reg §1.168\(k\)-1\(d\)\(2\)\(i\)](#) above) of those expenditures using straight line cost recovery in accordance with [Code Sec. 47\(c\)\(2\)\(B\)\(i\)](#) and [Reg §1.48-12\(c\)\(7\)\(i\)](#). The remaining rehabilitated basis is equal to the unadjusted depreciable basis (see below) of the qualified rehabilitation expenditures that are property eligible for additional first-year depreciation, reduced by additional first-year depreciation allowed or allowable, whichever is greater. The "unadjusted depreciable basis" is determined as explained at [Unadjusted and adjusted depreciable basis](#) above, but before the reduction in basis for the amount of the rehabilitation credit. [Reg §1.168\(k\)-1\(f\)\(10\)\(i\)\(B\)](#).

Regulations provide an illustration of the rules explained above. [Reg §1.168\(k\)-1\(f\)\(10\)\(ii\)](#).

Prior law.

For tax years ending before Sept. 2, 2006, if (1) a taxpayer didn't claim on the return for a tax year a rehabilitation credit for the portion of the basis of a qualified rehabilitated building that is attributable to qualified rehabilitation expenditures, (2) the qualified rehabilitation expenditures were eligible for bonus depreciation, and (3) the taxpayer didn't make the election ([¶1684.0291](#)) not to deduct any bonus depreciation for the class of property that included the qualified rehabilitation expenditures, the taxpayer was allowed relief. The relief allowed the taxpayer to claim the rehabilitation credit for the remaining rehabilitated basis of the qualified rehabilitated building that was attributable to the qualified rehabilitation expenditures in accordance with the rule in [Reg §1.168\(k\)-1\(f\)\(10\)\(i\)\(B\)](#) (above) by filing an amended return for the tax year for which the credit was to be claimed. The amended return had to include the adjustment to the tax liability for the rehabilitation credit and any collateral adjustments to taxable income or to the tax liability (for example, the amount of depreciation allowed or allowable in that tax year for the qualified rehabilitated building). These adjustments also had to be made on amended returns for any affected succeeding tax years. [Reg §1.168\(k\)-1\(g\)\(6\)](#).

Unrelated business taxable income rules for debt-financed property.

The additional first-year depreciation deduction isn't allowed for purposes of **Code Sec. 514(a)(3)** (allowable deductions for debt-financed property in computing unrelated business taxable income of tax-exempt organizations, see **¶5144**). **Reg §1.168(k)-1(f)(11)**.

Prior law.

Before Jan. 2, 2013, "qualified property" was generally required to be placed in service before Jan. 1, 2013 (Jan. 1, 2014 for certain property), see **¶1684.026** et seq. **Code Sec. 168(k)(2)(A)(iv) before amend by Sec. 331(a), PL 112-240, 1/2/2013**. However, this date was extended to Jan. 1, 2014 (Jan. 1, 2015 for certain property) for property placed in service after Dec. 31, 2012. **Sec. 331(f), PL 112-240, 1/2/2013**.

Before Dec. 17, 2010, "qualified property" was generally required to be placed in service before Jan. 1, 2011 (Jan. 1, 2012 for certain property), see **¶1684.026** et seq. **Code Sec. 168(k)(2)(A)(iv) before amend by Sec. 401(a), PL 111-312, 12/17/2010**. However, this date was extended to Jan. 1, 2013 (Jan. 1, 2014 for certain property) for property placed in service after Dec. 31, 2010. **Sec. 401(e)(1), PL 111-312, 12/27/2010**.

Before Sept. 27, 2010, "qualified property" was generally required to be placed in service before Jan. 1, 2010 (Jan. 1, 2011 for certain property), see **¶1684.026** et seq. **Code Sec. 168(k)(2)(A)(iv) before amend by Sec. 2022(a), PL 111-240, 9/27/2010**. However, this date was retroactively extended to Jan. 1, 2011 (Jan. 1, 2012 for certain property) for property placed in service after Dec. 31, 2009. **Sec. 2022(c), PL 111-240, 9/27/2010**.

Before Feb. 17, 2009, "qualified property" was generally required to be placed in service before Jan. 1, 2009 (Jan. 1, 2010 for certain property), see **¶1684.026** et seq. **Code Sec. 168(k)(2)(A)(iv) before amend by Sec. 1201(a)(1), PL 111-5, 2/17/2009**. However, this date was retroactively extended to Jan. 1, 2010 (Jan. 1, 2011 for certain property) for property placed in service after Dec. 31, 2008. **Sec. 1201(c)(1), PL 111-5, 2/17/2009**.

For property placed in service before Jan. 1, 2008 in tax years ending before Jan. 1, 2008, **Sec. 103(d), PL 110-185, 2/13/2008**, "qualified property" (1) was, generally, required to be placed in service before Jan. 1, 2005, see **¶1684.026** et seq., and (2) consisted of two types of property, one of which was eligible for either 50% or 30% bonus depreciation and was called "50-percent bonus depreciation property" (**¶1684.026, ¶1684.0292**) and one of which was eligible for only 30% bonus depreciation ("30-percent bonus depreciation property," see **¶1684.026**). **Code Sec. 168(k)(1) before amend by Sec. 103(b), PL 110-185, 2/13/2008; Code Sec. 168(k)(2) before amend by Sec. 103(a), PL 110-185, 2/13/2008; Code Sec. 168(k)(4) before amend by Sec. 103(c)(5)(A), PL 110-185, 2/13/2008**.

For tax years ending before May 6, 2003, **Sec. 201(d), PL 108-27, 5/28/2003**, the only category of qualified property was "30-percent bonus depreciation property" (see immediately above). **Code Sec. 168(k) before amend by Sec. 201(a), PL 108-27, 5/28/2003**.

For property placed in service before Sept. 11, 2001 or in tax years ending before Sept. 11, 2001, none of the above rules applied. **Sec. 101(b), PL 107-147, 3/9/2002**.