

Treasury, IRS Announce Proposed Rule Regarding Increasing Depreciation Deduction to 100 percent, Helping American Businesses

August 3, 2018

Washington –The U.S. Department of the Treasury and Internal Revenue Service (IRS) today announced proposed regulations on increasing and expanding the first year depreciation deduction for qualified property. This increased benefit will expand opportunities for small and mid-sized businesses to expense equipment purchases and make capital investments in their companies.

The Tax Cuts and Jobs Act (TCJA), passed into law in December 2017, increased the first year depreciation deduction from 50 to 100 percent for qualified property acquired and placed in service after September 27, 2017.

“The Tax Cuts and Jobs Act is making it easier for businesses of all sizes to grow and create jobs for hardworking Americans,” said Secretary Steven T. Mnuchin. “This expensing provision will be a key driver in creating greater business investment and growth.”

The TCJA expands the meaning of qualified property to include certain used depreciable property and certain film, television, or live theatrical productions. The proposed change also extends the placed-in-service date by seven years from January 1, 2021, to January 1, 2027.

The deduction applies retroactively to qualified property acquired and placed in service after September 27, 2017. The first year allowance is 100 percent, and is then decreased by 20 percent annually for qualified property placed in service after December 31, 2022.

[View the guidance.](#)

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