

IRS News Release

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For many business taxpayers, time is running out to elect out of new 100-percent depreciation deduction for 2017

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WASHINGTON — The Internal Revenue Service today reminds business taxpayers who placed qualifying property in service during 2017 but choose not to claim the new 100-percent depreciation deduction, that they have a limited time to file the required election with the IRS.

In general, individuals and calendar-year corporations must file the election with the IRS by Oct. 15, 2018. The new 100-percent deduction allows businesses to write off most depreciable business assets in the year they are placed in service. This deduction was created by the Tax Cuts and Jobs Act (TCJA), the tax reform legislation enacted in December 2017. Because the deduction is retroactive and applies to qualifying property acquired and placed in service after Sept. 27, 2017, it may affect many 2017 tax returns. See [IRS Fact Sheet 2018-09](#) for more details.

The 100-percent depreciation deduction generally applies to depreciable business assets with a recovery period of 20 years or less and certain other property. Machinery, equipment, computers, appliances, furniture, certain plants and qualified film, television and live theatrical productions generally qualify. Further details can be found in [proposed regulations](#), issued last month, as well as in [Publication 946](#), How to Depreciate Property, and in [Form 4562](#), Depreciation and Amortization, and its instructions.

Taxpayers who elect out of the 100-percent depreciation deduction, as well as the 50-percent deduction available under prior law, must do so by attaching a statement to a timely-filed return. For details, see the instructions for Part II of Form 4562.

Those who have already timely filed their 2017 return and did not elect out but still wish to do so need to file an amended return. The deadline for filing the election is six months after the original deadline. For individuals or calendar-year corporations, this means Oct. 15, 2018.

For more information about this and other TCJA provisions, visit IRS.gov/taxreform.