



BRAYN
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COST SEGREGATION: QUALIFIED IMPROVEMENTS & BONUS DEPRECIATION

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QUALITY IMPROVEMENTS		FROM	TO	MACRS	BONUS DEP	3-YR RULE	CODE SECTION	NOTES
QIP	QUALIFIED IMPROVEMENT PROPERTY (QIP)	2018	-	39y	N	N	168(E)(6)	See Note 1
	QUALIFIED IMPROVEMENT PROPERTY (QIP)	2016	2017	39y	Y	N	168(E)(3)	Improvements that meet the definition of QIP and meet the definition of QLI, QRtIP, or QRsIP qualify for 15 Year MACRS and 179 Expense.
LEASEHOLD	QUALIFIED LEASEHOLD IMPROVEMENTS (QLI)	2008	2017	15y	Y	Y	168(E)(6)	Improvements must be made subject to a lease between unrelated parties.
	QUALIFIED LEASEHOLD IMPROVEMENTS (QLI)	2005	2007	15y	N	Y	168(E)(6)	Improvements must be made subject to a lease between unrelated parties.
RETAIL	QUALIFIED RETAIL IMPROVEMENT PROPERTY (QRtIP)	2016	2017	15y	Y	Y	168(E)(8)	
	QUALIFIED RETAIL IMPROVEMENT PROPERTY (QRtIP)	2009	2015	15y	N	Y	168(E)(8)	Improvements that meet the definition of QRtIP & meet the definition of QLI qualify for the Bonus Depreciation.
RESTAURANT	QUALIFIED RESTAURANT IMPROVEMENT PROPERTY (QRsIP)	2016	2017	15y	N	N	168(E)(7)	Improvements that meet the definition of QRsIP & meet the definition of QLI or QIP qualify for the Bonus Depreciation.
	QUALIFIED RESTAURANT IMPROVEMENT PROPERTY (QRsIP)	2009	2015	15y	N	N	168(E)(7)	Improvements that meet the definition of QRsIP & meet the definition of QLI qualify for the Bonus Depreciation.
	QUALIFIED RESTAURANT IMPROVEMENT PROPERTY (QRsIP)	2008	2008	15y	Y	Y	168(E)(7)	

From	To	Bonus Depreciation	Notes
01/01/2012	09/27/2017	50%	
09/28/2017	12/31/2022	100%	2,3
01/01/2023	12/31/2023	80%	2,3
01/01/2024	12/31/2024	60%	2,3
01/01/2025	12/31/2025	40%	2,3
01/01/2026	12/31/2026	20%	2,3

Notes

1. The intent of Congress through the Conference Committee's Joint Explanatory Statement was for QIP to be eligible for bonus depreciation. The actual legislation did not properly amend Section 168 to provide a 15-year life or bonus depreciation for QIP, but this error may be addressed in future technical corrections.
2. In order to qualify for 100% bonus depreciation, both the acquisition date and the placed-in-service date of the qualified property must fall after 9/27/2017. There are special rules for self-constructed property.
3. Bonus depreciation is potentially available for used property placed in service after 9/27/17.

BRAYN is a niche consulting firm that guides businesses to greater value through tax credits and incentives, such as R&D tax credits, Cost Segregation, 179D, Sales & Use/Excise Tax Recovery, and Management Consulting. The BRAYNiacs are a team of lawyers, engineers, and accountants with extensive industry experience hailing from Big-4 and other national consulting firms. We work collaboratively with your CPA firm to assist in the review, documentation, and substantiation of the tax incentives specific to your business. Additionally, our management consulting services help businesses realize cost savings and maximize efficiencies, including treasury management and other accounting-related functions. At BRAYN, we focus on building quality relationships where we are a key partner in driving business prosperity.