

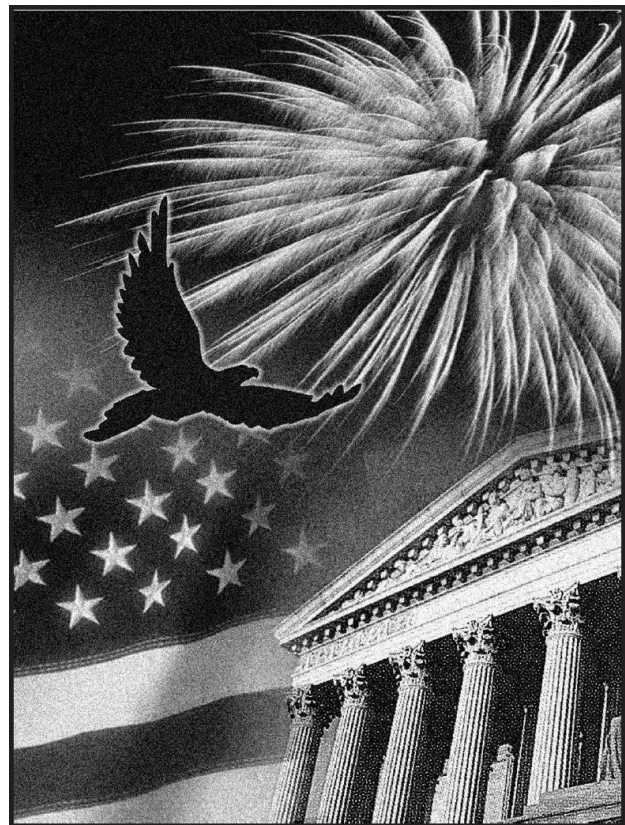
Publication 946

How To Depreciate Property

- Section 179 Deduction
- Special Depreciation Allowance
- MACRS
- Listed Property

For use in preparing
2024 Returns

Volume 6 of 6



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Appendix B—Table of Class Lives and Recovery Periods

The Table of Class Lives and Recovery Periods has two sections. The first section, *Specific Depreciable Assets Used in All Business Activities, Except as Noted*, generally lists assets used in all business activities. It is shown as Table B-1. The second section, *Depreciable Assets Used in the Following Activities*, describes assets used only in certain activities. It is shown as Table B-2.

How To Use the Tables

You will need to look at both Table B-1 and Table B-2 to find the correct recovery period. Generally, if the property is listed in Table B-1, you use the recovery period shown in that table. However, if the property is specifically listed in Table B-2 under the type of activity in which it is used, you use the recovery period listed under the activity in that table.

Use the tables in the order shown below to determine the recovery period of your depreciable property.

Table B-1. Check Table B-1 for a description of the property. If it is described in Table B-1, also check Table B-2 to find the activity in which the property is being used. If the activity is described in Table B-2, read the text (if any) under the title to determine if the property is specifically included in that asset class. If it is, use the recovery period shown in the appropriate column of Table B-2 following the description of the activity. If the activity is not described in Table B-2 or if the activity is described but the property either is not specifically included in or is specifically excluded from that asset class, then use the recovery period shown in the appropriate column following the description of the property in Table B-1.

Tax-exempt use property subject to a lease. The recovery period for ADS cannot be less than 125% of the lease term for any property leased under a leasing arrangement to a tax-exempt organization, governmental unit, or foreign person or entity (other than a partnership).

Table B-2. If the property is not listed in Table B-1, check Table B-2 to find the activity in which the property is being used and use the recovery period shown in the appropriate column following the description.

Property not in either table. If the activity or the property is not included in either table, check the end of Table B-2 to find *Certain Property for Which Recovery Periods Assigned*. This property generally has a recovery period of 7 years for GDS or 12 years for ADS.

See *Which Property Class Applies Under GDS?* and *Which Recovery Period Applies?* in chapter 4 for the class lives or the recovery periods for GDS and ADS for the following.

- Residential rental property and nonresidential real property (also see Appendix A, Chart 2).
- Qualified rent-to-own property.
- A motorsport entertainment complex.
- Any retail motor fuels outlet.
- Initial clearing and grading land improvements for gas utility property and electric utility transmission and distribution plants.
- Any water utility property.
- Certain electric transmission property used in the transmission at 69 or more kilovolts of electricity for sale and placed in service after April 11, 2005.

- Natural gas gathering and distribution lines placed in service after April 11, 2005.

Example 1. You are a paper manufacturer. During the year, you made substantial improvements to the land on which your paper plant is located. You check Table B-1 and find land improvements under asset class 00.3. You then check Table B-2 and find your activity, paper manufacturing, under asset class 26.1, *Manufacture of Pulp and Paper*. You use the recovery period under this asset class because it specifically includes land improvements. The land improvements have a 13-year class life and a 7-year recovery period for GDS. If you elect to use ADS, the recovery period is 13 years. If you only looked at Table B-1, you would select asset class 00.3, *Land Improvements*, and incorrectly use a recovery period of 15 years for GDS or 20 years for ADS.

Example 2. You produce rubber products. During the year, you made substantial improvements to the land on which your rubber plant is located. You check Table B-1 and find land improvements under asset class 00.3. You then check Table B-2 and find your activity, producing rubber products, under asset class 30.1, *Manufacture of Rubber Products*. Reading the headings and descriptions under asset class 30.1, you find that it does not include land improvements. Therefore, you use the recovery period under asset class 00.3. The land improvements have a 20-year class life and a 15-year recovery period for GDS. If you elect to use ADS, the recovery period is 20 years.

Example 3. You own a retail clothing store. During the year, you purchased a desk and a cash register for use in your business. You check Table B-1 and find office furniture under asset class 00.11.

Cash registers are not listed in any of the asset classes in Table B-1. You then check Table B-2 and find your activity, retail store, under asset class 57.0, *Distributive Trades and Services*, which includes **assets used in wholesale and retail trade**. This asset class does not specifically list office furniture or a cash register. You look back at Table B-1 and use asset class 00.11 for the desk. The desk has a 10-year class life and a 7-year recovery period for GDS. If you elect to use ADS, the recovery period is 10 years. For the cash register, you use asset class 57.0 because cash registers are not listed in Table B-1 but it is an **asset** used in your retail business. The cash register has a 9-year class life and a 5-year recovery period for GDS. If you elect to use the ADS method, the recovery period is 9 years.

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Table B-1. Table of Class Lives and Recovery Periods

Asset class	Description of assets included	Recovery Periods (in years)		
		Class Life (in years)	GDS (MACRS)	ADS
SPECIFIC DEPRECIABLE ASSETS USED IN ALL BUSINESS ACTIVITIES, EXCEPT AS NOTED:				
00.11	Office Furniture, Fixtures, and Equipment: Includes furniture and fixtures that are not a structural component of a building. Includes such assets as desks, files, safes, and communications equipment. Does not include communications equipment that is included in other classes.	10	7	10
00.12	Information Systems: Includes computers and their peripheral equipment used in administering normal business transactions and the maintenance of business records, their retrieval and analysis. Information systems are defined as: 1) Computers: A computer is a programmable electronically activated device capable of accepting information, applying prescribed processes to the information, and supplying the results of these processes with or without human intervention. It usually consists of a central processing unit containing extensive storage, logic, arithmetic, and control capabilities. Excluded from this category are adding machines, electronic desk calculators, etc., and other equipment described in class 00.13. 2) Peripheral equipment consists of the auxiliary machines which are designed to be placed under control of the central processing unit. Nonlimiting examples are: Card readers, card punches, magnetic tape feeds, high speed printers, optical character readers, tape cassettes, mass storage units, paper tape equipment, keypunches, data entry devices, teleprinters, terminals, tape drives, disc drives, disc files, disc packs, visual image projector tubes, card sorters, plotters, and collators. Peripheral equipment may be used online or offline. Does not include equipment that is an integral part of other capital equipment that is included in other classes of economic activity, that is, computers used primarily for process or production control, switching, channeling, and automating distributive trades and services such as point of sale (POS) computer systems. Also, does not include equipment of a kind used primarily for amusement or entertainment of the user.	6	5	5
00.13	Data Handling Equipment; except Computers: Includes only typewriters, calculators, adding and accounting machines, copiers, and duplicating equipment.	6	5	6
00.21	Airplanes (airframes and engines), except those used in commercial or contract carrying of passengers or freight, and all helicopters (airframes and engines)	6	5	6
00.22	Automobiles, Taxis	3	5	5
00.23	Buses	9	5	9
00.241	Light General Purpose Trucks: Includes trucks for use over the road (actual weight less than 13,000 pounds)	4	5	5
00.242	Heavy General Purpose Trucks: Includes heavy general purpose trucks, concrete ready mix-trucks, and ore trucks, for use over the road (actual unloaded weight 13,000 pounds or more)	6	5	6
00.25	Railroad Cars and Locomotives, except those owned by railroad transportation companies	15	7	15
00.26	Tractor Units for Use Over-the-Road	4	3	4
00.27	Trailers and Trailer-Mounted Containers	6	5	6
00.28	Vessels, Barges, Tugs, and Similar Water Transportation Equipment, except those used in marine construction	18	10	18
00.3	Land Improvements: Includes improvements directly to or added to land, whether such improvements are section 1245 property or section 1250 property, provided such improvements are depreciable. Examples of such assets might include sidewalks, roads, canals, waterways, drainage facilities, sewers (not including municipal sewers in class 51), wharves and docks, bridges, fences, landscaping shrubbery, or radio and television transmitting towers. Does not include land improvements that are explicitly included in any other class, and buildings and structural components as defined in section 1.48-1(e) of the regulations. Excludes public utility initial clearing and grading land improvements as specified in Rev. Rul. 72-403, 1972-2 C.B. 102.	20	15	20
00.4	Industrial Steam and Electric Generation and/or Distribution Systems: Includes assets, whether such assets are section 1245 property or 1250 property, providing such assets are depreciable, used in the production and/or distribution of electricity with rated total capacity in excess of 500 Kilowatts and/or assets used in the production and/or distribution of steam with rated total capacity in excess of 12,500 pounds per hour for use by the taxpayer in its industrial manufacturing process or plant activity and not ordinarily available for sale to others. Does not include buildings and structural components as defined in section 1.48-1(e) of the regulations. Assets used to generate and/or distribute electricity or steam of the type described above, but of lesser rated capacity, are not included, but are included in the appropriate manufacturing equipment classes elsewhere specified. Also includes electric generating and steam distribution assets, which may utilize steam produced by a waste reduction and resource recovery plant, used by the taxpayer in its industrial manufacturing process or plant activity. Steam and chemical recovery boiler systems used for the recovery and regeneration of chemicals used in manufacturing, with rated capacity in excess of that described above, with specifically related distribution and return systems are not included but are included in appropriate manufacturing equipment classes elsewhere specified. An example of an excluded steam and chemical recovery boiler system is that used in the pulp and paper manufacturing equipment classes elsewhere specified. An example of an excluded steam and chemical recovery boiler system is that used in the pulp and paper manufacturing industry.	22	15	22

Table B-2. Table of Class Lives and Recovery Periods

Asset class	Description of assets included		Recovery Periods (in years)	
		Class Life (in years)	GDS (MACRS)	ADS
DEPRECIABLE ASSETS USED IN THE FOLLOWING ACTIVITIES:				
01.1	Agriculture: Includes machinery and equipment, grain bins, and fences but no other land improvements, that are used in the production of crops or plants, vines, and trees; livestock; the operation of farm dairies, nurseries, greenhouses, sod farms, mushroom cellars, cranberry bogs, apiaries, and fur farms; the performance of agriculture, animal husbandry, and horticultural services.	10	7****	10
01.11	Cotton Ginning Assets	12	7	12
01.21	Cattle, Breeding or Dairy	7	5	7
01.221	Any breeding or work horse that is 12 years old or less at the time it is placed in service**	10	7	10
01.222	Any breeding or work horse that is more than 12 years old at the time it is placed in service**	10	3	10
01.223	Any race horse that is more than 2 years old at the time it is placed in service**	*	3	12
01.224	Any horse that is more than 12 years old at the time it is placed in service and that is neither a race horse nor a horse described in class 01.222**	*	3	12
01.225	Any horse not described in class 01.221, 01.222, 01.223, or 01.224	*	7	12
01.23	Hogs, Breeding	3	3	3
01.24	Sheep and Goats, Breeding	5	5	5
01.3	Farm buildings except structures included in class 01.4	25	20	25
01.4	Single purpose agricultural or horticultural structures (within the meaning of section 168(i)(13) of the Code)	15	10***	15
10.0	Mining: Includes assets used in the mining and quarrying of metallic and nonmetallic minerals (including sand, gravel, stone, and clay) and the milling, beneficiation, and other primary preparation of such materials.	10	7	10
13.0	Offshore Drilling: Includes assets used in offshore drilling for oil and gas such as floating, self-propelled and other drilling vessels, barges, platforms, and drilling equipment and support vessels such as tenders, barges, towboats, and crewboats. Excludes oil and gas production assets.	7.5	5	7.5
13.1	Drilling of Oil and Gas Wells: Includes assets used in the drilling of onshore oil and gas wells and the provision of geophysical and other exploration services; and the provision of such oil and gas field services as chemical treatment, plugging and abandoning of wells, and cementing or perforating well casings. Does not include assets used in the performance of any of these activities and services by integrated petroleum and natural gas producers for their own account.	6	5	6
13.2	Exploration for and Production of Petroleum and Natural Gas Deposits: Includes assets used by petroleum and natural gas producers for drilling of wells and production of petroleum and natural gas, including gathering pipelines and related storage facilities. Also includes petroleum and natural gas offshore transportation facilities used by producers and others consisting of platforms (other than drilling platforms classified in class 13.0), compression or pumping equipment, and gathering and transmission lines to the first onshore transshipment facility. The assets used in the first onshore transshipment facility are also included and consist of separation equipment (used for separation of natural gas, liquids, and in class 49.23), and liquid holding or storage facilities (other than those classified in class 49.25). Does not include support vessels.	14	7	14
13.3	Petroleum Refining: Includes assets used for the distillation, fractionation, and catalytic cracking of crude petroleum into gasoline and its other components.	16	10	16
15.0	Construction: Includes assets used in construction by general building, special trade, heavy, and marine construction contractors; operative and investment builders; real estate subdividers and developers; and others except railroads.	6	5	6
20.1	Manufacture of Grain and Grain Mill Products: Includes assets used in the production of flours, cereals, livestock feeds, and other grain and grain mill products.	17	10	17
20.2	Manufacture of Sugar and Sugar Products: Includes assets used in the production of raw sugar, syrup, or finished sugar from sugar cane or sugar beets.	18	10	18
20.3	Manufacture of Vegetable Oils and Vegetable Oil Products: Includes assets used in the production of oil from vegetable materials and the manufacture of related vegetable oil products.	18	10	18
20.4	Manufacture of Other Food and Kindred Products: Includes assets used in the production of foods and beverages not included in classes 20.1, 20.2, and 20.3.	12	7	12
20.5	Manufacture of Food and Beverages—Special Handling Devices: Includes assets defined as specialized materials handling devices such as returnable pallets, palletized containers, and fish processing equipment including boxes, baskets, carts, and flaking trays used in activities as defined in classes 20.1, 20.2, 20.3, and 20.4. Does not include general purpose small tools such as wrenches and drills, both hand and power-driven, and other general purpose equipment such as conveyors, transfer equipment, and materials handling devices.	4	3	4

* Property described in asset classes 01.223, 01.224, and 01.225 are assigned recovery periods but have no class lives.

** A horse is more than 2 (or 12) years old after the day that is 24 (or 144) months after its actual birthdate.

*** 7 if property was placed in service before 1989.

**** 5 if machinery and equipment used in a farming business (other than any grain bin, cotton ginning asset, fence, or other land improvement) placed in service after 2017, in tax years ending after 2017.

Table B-2. Table of Class Lives and Recovery Periods

Asset class	Description of assets included	Class Life (in years)	Recovery Periods (in years)	
			GDS (MACRS)	ADS
21.0	Manufacture of Tobacco and Tobacco Products: Includes assets used in the production of cigarettes, cigars, smoking and chewing tobacco, snuff, and other tobacco products.	15	7	15
22.1	Manufacture of Knitted Goods: Includes assets used in the production of knitted and netted fabrics and lace. Assets used in yarn preparation, bleaching, dyeing, printing, and other similar finishing processes, texturing, and packaging are elsewhere classified.	7.5	5	7.5
22.2	Manufacture of Yarn, Thread, and Woven Fabric: Includes assets used in the production of spun yarns including the preparing, blending, spinning, and twisting of fibers into yarns and threads, the preparation of yarns such as twisting, warping, and winding, the production of covered elastic yarn and thread, cordage, woven fabric, tire fabric, braided fabric, twisted jute for packaging, mattresses, pads, sheets, and industrial belts, and the processing of textile mill waste to recover fibers, flocks, and shoddies. Assets used to manufacture carpets, man-made fibers, and nonwovens, and assets used in texturing, bleaching, dyeing, printing, and other similar finishing processes, are elsewhere classified.	11	7	11
22.3	Manufacture of Carpets and Dyeing, Finishing, and Packaging of Textile Products and Manufacture of Medical and Dental Supplies: Includes assets used in the production of carpets, rugs, mats, woven carpet backing, chenille, and other tufted products, and assets used in the joining together of backing with carpet yarn or fabric. Includes assets used in washing, scouring, bleaching, dyeing, printing, drying, and similar finishing processes applied to textile fabrics, yarns, threads, and other textile goods. Includes assets used in the production and packaging of textile products, other than apparel, by creasing, forming, trimming, cutting, and sewing, such as the preparation of carpet and fabric samples, or similar joining together processes (other than the production of scrim reinforced paper products and laminated paper products) such as the sewing and folding of hosiery and panty hose, and the creasing, folding, trimming, and cutting of fabrics to produce nonwoven products, such as disposable diapers and sanitary products. Also includes assets used in the production of medical and dental supplies other than drugs and medicines. Assets used in the manufacture of nonwoven carpet backing, and hard surface floor covering such as tile, rubber, and cork, are elsewhere classified.	9	5	9
22.4	Manufacture of Textile Yarns: Includes assets used in the processing of yarns to impart bulk and/or stretch properties to the yarn. The principal machines involved are falsetwist, draw, beam-to-beam, and stuffer box texturing equipment and related highspeed twisters and winders. Assets, as described above, which are used to further process man-made fibers are elsewhere classified when located in the same plant in an integrated operation with man-made fiber producing assets. Assets used to manufacture man-made fibers and assets used in bleaching, dyeing, printing, and other similar finishing processes are elsewhere classified.	8	5	8
22.5	Manufacture of Nonwoven Fabrics: Includes assets used in the production of nonwoven fabrics, felt goods including felt hats, padding, batting, wadding, oakum, and fillings, from new materials and from textile mill waste. Nonwoven fabrics are defined as fabrics (other than reinforced and laminated composites consisting of nonwovens and other products) manufactured by bonding natural and/or synthetic fibers and/or filaments by means of induced mechanical interlocking, fluid entanglement, chemical adhesion, thermal or solvent reaction, or by combination thereof other than natural hydration bonding as occurs with natural cellulose fibers. Such means include resin bonding, web bonding, and melt bonding. Specifically includes assets used to make flocked and needle punched products other than carpets and rugs. Assets, as described above, which are used to manufacture nonwovens are elsewhere classified when located in the same plant in an integrated operation with man-made fiber producing assets. Assets used to manufacture man-made fibers and assets used in bleaching, dyeing, printing, and other similar finishing processes are elsewhere classified.	10	7	10
23.0	Manufacture of Apparel and Other Finished Products: Includes assets used in the production of clothing and fabricated textile products by the cutting and sewing of woven fabrics, other textile products, and furs; but does not include assets used in the manufacture of apparel from rubber and leather.	9	5	9
24.1	Cutting of Timber: Includes logging machinery and equipment and roadbuilding equipment used by logging and sawmill operators and pulp manufacturers for their own account.	6	5	6
24.2	Sawing of Dimensional Stock From Logs: Includes machinery and equipment installed in permanent or well-established sawmills.	10	7	10
24.3	Sawing of Dimensional Stock From Logs: Includes machinery and equipment in sawmills characterized by temporary foundations and a lack, or minimum amount, of lumberhandling, drying, and residue disposal equipment and facilities.	6	5	6
24.4	Manufacture of Wood Products, and Furniture: Includes assets used in the production of plywood, hardboard, flooring, veneers, furniture, and other wood products, including the treatment of poles and timber.	10	7	10
26.1	Manufacture of Pulp and Paper: Includes assets for pulp materials handling and storage, pulp mill processing, bleach processing, paper and paperboard manufacturing, and on-line finishing. Includes pollution control assets and all land improvements associated with the factory site or production process such as effluent ponds and canals, provided such improvements are depreciable but does not include buildings and structural components as defined in section 1.48-1(e)(1) of the regulations. Includes steam and chemical recovery boiler systems, with any rated capacity, used for the recovery and regeneration of chemicals used in manufacturing. Does not include assets used either in pulpwood logging, or in the manufacture of hardboard.	13	7	13

Table B-2. **Table of Class Lives and Recovery Periods**

Asset class	Description of assets included	Class Life (in years)	Recovery Periods (in years)	
			GDS (MACRS)	ADS
26.2	Manufacture of Converted Paper, Paperboard, and Pulp Products: Includes assets used for modification, or remanufacture of paper and pulp into converted products, such as paper coated off the paper machine, paper bags, paper boxes, cartons, and envelopes. Does not include assets used for manufacture of nonwovens that are elsewhere classified.	10	7	10
27.0	Printing, Publishing, and Allied Industries: Includes assets used in printing by one or more processes, such as letter-press, lithography, gravure, or screen; the performance of services for the printing trade, such as bookbinding, typesetting, engraving, photo-engraving, and electrotyping; and the publication of newspapers, books, and periodicals.	11	7	11
28.0	Manufacture of Chemicals and Allied Products: Includes assets used to manufacture basic organic and inorganic chemicals; chemical products to be used in further manufacture, such as synthetic fibers and plastics materials; and finished chemical products. Includes assets used to further process man-made fibers, to manufacture plastic film, and to manufacture nonwoven fabrics, when such assets are located in the same plant in an integrated operation with chemical products producing assets. Also includes assets used to manufacture photographic supplies, such as film, photographic paper, sensitized photographic paper, and developing chemicals. Includes all land improvements associated with plant site or production processes, such as effluent ponds and canals, provided such land improvements are depreciable but does not include buildings and structural components as defined in section 1.48-1(e) of the regulations. Does not include assets used in the manufacture of finished rubber and plastic products or in the production of natural gas products, butane, propane, and by-products of natural gas production plants.	9.5	5	9.5
30.1	Manufacture of Rubber Products: Includes assets used for the production of products from natural, synthetic, or reclaimed rubber, gutta percha, balata, or gutta siak, such as tires, tubes, rubber footwear, mechanical rubber goods, heels and soles, flooring, and rubber sundries; and in the recapping, retreading, and rebuilding of tires.	14	7	14
30.11	Manufacture of Rubber Products—Special Tools and Devices: Includes assets defined as special tools, such as jigs, dies, mandrels, molds, lasts, patterns, specialty containers, pallets, shells; and tire molds, and accessory parts such as rings and insert plates used in activities as defined in class 30.1. Does not include tire building drums and accessory parts and general purpose small tools such as wrenches and drills, both power and hand-driven, and other general purpose equipment such as conveyors and transfer equipment.	4	3	4
30.2	Manufacture of Finished Plastic Products: Includes assets used in the manufacture of plastics products and the molding of primary plastics for the trade. Does not include assets used in the manufacture of basic plastics materials nor the manufacture of phonograph records.	11	7	11
30.21	Manufacture of Finished Plastic Products—Special Tools: Includes assets defined as special tools, such as jigs, dies, fixtures, molds, patterns, gauges, and specialty transfer and shipping devices, used in activities as defined in class 30.2. Special tools are specifically designed for the production or processing of particular parts and have no significant utilitarian value and cannot be adapted to further or different use after changes or improvements are made in the model design of the particular part produced by the special tools. Does not include general purpose small tools such as wrenches and drills, both hand and power-driven, and other general purpose equipment such as conveyors, transfer equipment, and materials handling devices.	3.5	3	3.5
31.0	Manufacture of Leather and Leather Products: Includes assets used in the tanning, currying, and finishing of hides and skins; the processing of fur pelts; and the manufacture of finished leather products, such as footwear, belting, apparel, and luggage.	11	7	11
32.1	Manufacture of Glass Products: Includes assets used in the production of flat, blown, or pressed products of glass, such as float and window glass, glass containers, glassware, and fiberglass. Does not include assets used in the manufacture of lenses.	14	7	14
32.11	Manufacture of Glass Products—Special Tools: Includes assets defined as special tools such as molds, patterns, pallets, and specialty transfer and shipping devices such as steel racks to transport automotive glass, used in activities as defined in class 32.1. Special tools are specifically designed for the production or processing of particular parts and have no significant utilitarian value and cannot be adapted to further or different use after changes or improvements are made in the model design of the particular part produced by the special tools. Does not include general purpose small tools such as wrenches and drills, both hand and power-driven, and other general purpose equipment such as conveyors, transfer equipment, and materials handling devices.	2.5	3	2.5
32.2	Manufacture of Cement: Includes assets used in the production of cement, but does not include assets used in the manufacture of concrete and concrete products nor in any mining or extraction process.	20	15	20
32.3	Manufacture of Other Stone and Clay Products: Includes assets used in the manufacture of products from materials in the form of clay and stone, such as brick, tile, and pipe; pottery and related products, such as vitreous-china, plumbing fixtures, earthenware, and ceramic insulating materials; and also includes assets used in manufacture of concrete and concrete products. Does not include assets used in any mining or extraction processes.	15	7	15

Table B-2. Table of Class Lives and Recovery Periods

Asset class	Description of assets included	Class Life (in years)	Recovery Periods (in years)	
			GDS (MACRS)	ADS
33.2	Manufacture of Primary Nonferrous Metals: Includes assets used in the smelting, refining, and electrolysis of nonferrous metals from ore, pig, or scrap, the rolling, drawing, and alloying of nonferrous metals; the manufacture of castings, forgings, and other basic products of nonferrous metals; and the manufacture of nails, spikes, structural shapes, tubing, wire, and cable.	14	7	14
33.21	Manufacture of Primary Nonferrous Metals—Special Tools: Includes assets defined as special tools such as dies, jigs, molds, patterns, fixtures, gauges, and drawings concerning such special tools used in the activities as defined in class 33.2, Manufacture of Primary Nonferrous Metals. Special tools are specifically designed for the production or processing of particular products or parts and have no significant utilitarian value and cannot be adapted to further or different use after changes or improvements are made in the model design of the particular part produced by the special tools. Does not include general purpose small tools such as wrenches and drills, both hand and power-driven, and other general purpose equipment such as conveyors, transfer equipment, and materials handling devices. Rolls, mandrels, and refractories are not included in class 33.21 but are included in class 33.2.	6.5	5	6.5
33.3	Manufacture of Foundry Products: Includes assets used in the casting of iron and steel, including related operations such as molding and coremaking. Also includes assets used in the finishing of castings and patternmaking when performed at the foundry, all special tools, and related land improvements.	14	7	14
33.4	Manufacture of Primary Steel Mill Products: Includes assets used in the smelting, reduction, and refining of iron and steel from ore, pig, or scrap; the rolling, drawing, and alloying of steel; the manufacture of nails, spikes, structural shapes, tubing, wire, and cable. Includes assets used by steel service centers and ferrous metal forges, and assets used in coke production, regardless of ownership. Also includes related land improvements and all special tools used in the above activities.	15	7	15
34.0	Manufacture of Fabricated Metal Products: Includes assets used in the production of metal cans, tinware, fabricated structural metal products, metal stampings, and other ferrous and nonferrous metal and wire products not elsewhere classified. Does not include assets used to manufacture non-electric heating apparatus.	12	7	12
34.01	Manufacture of Fabricated Metal Products—Special Tools: Includes assets defined as special tools such as dies, jigs, molds, patterns, fixtures, gauges, and returnable containers and drawings concerning such special tools used in the activities as defined in class 34.0. Special tools are specifically designed for the production or processing of particular machine components, products, or parts, and have no significant utilitarian value and cannot be adapted to further or different use after changes or improvements are made in the model design of the particular part produced by the special tools. Does not include general small tools such as wrenches and drills, both hand and power-driven, and other general purpose equipment such as conveyors, transfer equipment, and materials handling devices.	3	3	3
35.0	Manufacture of Electrical and Non-Electrical Machinery and Other Mechanical Products: Includes assets used to manufacture or rebuild finished machinery and equipment and replacement parts thereof such as machine tools, general industrial and special industry machinery, electrical power generation, transmission, and distribution systems, space heating, cooling, and refrigeration systems, commercial and home appliances, farm and garden machinery, construction machinery, mining and oil field machinery, internal combustion engines (except those elsewhere classified), turbines (except those that power airborne vehicles), batteries, lamps and lighting fixtures, carbon and graphite products, and electromechanical and mechanical products including business machines, instruments, watches and clocks, vending and amusement machines, photographic equipment, medical and dental equipment and appliances, and ophthalmic goods. Includes assets used by manufacturers or rebuilders of such finished machinery and equipment in activities elsewhere classified such as the manufacture of castings, forgings, rubber and plastic products, electronic subassemblies or other manufacturing activities if the interim products are used by the same manufacturer primarily in the manufacture, assembly, or rebuilding of such finished machinery and equipment. Does not include assets used in mining, assets used in the manufacture of primary ferrous and nonferrous metals, assets included in class 00.11 through 00.4, and assets elsewhere classified.	10	7	10
36.0	Manufacture of Electronic Components, Products, and Systems: Includes assets used in the manufacture of electronic communication, computation, instrumentation and control system, including airborne applications; also includes assets used in the manufacture of electronic products such as frequency and amplitude modulated transmitters and receivers, electronic switching stations, television cameras, video recorders, record players and tape recorders, computers and computer peripheral machines, and electronic instruments, watches, and clocks; also includes assets used in the manufacture of components, provided their primary use is products and systems defined above such as electron tubes, capacitors, coils, resistors, printed circuit substrates, switches, harness cables, lasers, fiber optic devices, and magnetic media devices. Specifically excludes assets used to manufacture electronic products and components, photocopiers, typewriters, postage meters and other electromechanical and mechanical business machines and instruments that are elsewhere classified. Does not include semiconductor manufacturing equipment included in class 36.1.	6	5	6
36.1	Any Semiconductor Manufacturing Equipment	5	5	5

Table B-2. Table of Class Lives and Recovery Periods

Asset class	Description of assets included	Recovery Periods (in years)		
		Class Life (in years)	GDS (MACRS)	ADS
37.11	Manufacture of Motor Vehicles: Includes assets used in the manufacture and assembly of finished automobiles, trucks, trailers, motor homes, and buses. Does not include assets used in mining, printing and publishing, production of primary metals, electricity, or steam, or the manufacture of glass, industrial chemicals, batteries, or rubber products, which are classified elsewhere. Includes assets used in manufacturing activities elsewhere classified other than those excluded above, where such activities are incidental to and an integral part of the manufacture and assembly of finished motor vehicles such as the manufacture of parts and subassemblies of fabricated metal products, electrical equipment, textiles, plastics, leather, and foundry and forging operations. Does not include any assets not classified in manufacturing activity classes, for example, does not include any assets classified in asset guideline classes 00.11 through 00.4. Activities will be considered incidental to the manufacture and assembly of finished motor vehicles only if 75% or more of the value of the products produced under one roof are used for the manufacture and assembly of finished motor vehicles. Parts that are produced as a normal replacement stock complement in connection with the manufacture and assembly of finished motor vehicles are considered used for the manufacture assembly of finished motor vehicles. Does not include assets used in the manufacture of component parts if these assets are used by taxpayers not engaged in the assembly of finished motor vehicles.	12	7	12
37.12	Manufacture of Motor Vehicles—Special Tools: Includes assets defined as special tools, such as jigs, dies, fixtures, molds, patterns, gauges, and specialty transfer and shipping devices, owned by manufacturers of finished motor vehicles and used in qualified activities as defined in class 37.11. Special tools are specifically designed for the production or processing of particular motor vehicle components and have no significant utilitarian value, and cannot be adapted to further or different use, after changes or improvements are made in the model design of the particular part produced by the special tools. Does not include general purpose small tools such as wrenches and drills, both hand and power-driven, and other general purpose equipment such as conveyors, transfer equipment, and materials handling devices.	3	3	3
37.2	Manufacture of Aerospace Products: Includes assets used in the manufacture and assembly of airborne vehicles and their component parts including hydraulic, pneumatic, electrical, and mechanical systems. Does not include assets used in the production of electronic airborne detection, guidance, control, radiation, computation, test, navigation, and communication equipment or the components thereof.	10	7	10
37.31	Ship and Boat Building Machinery and Equipment: Includes assets used in the manufacture and repair of ships, boats, caissons, marine drilling rigs, and special fabrications not included in asset classes 37.32 and 37.33. Specifically includes all manufacturing and repairing machinery and equipment, including machinery and equipment used in the operation of assets included in asset class 37.32. Excludes buildings and their structural components.	12	7	12
37.32	Ship and Boat Building Dry Docks and Land Improvements: Includes assets used in the manufacture and repair of ships, boats, caissons, marine drilling rigs, and special fabrications not included in asset classes 37.31 and 37.33. Specifically includes floating and fixed dry docks, ship basins, graving docks, shipways, piers, and all other land improvements such as water, sewer, and electric systems. Excludes buildings and their structural components.	16	10	16
37.33	Ship and Boat Building—Special Tools: Includes assets defined as special tools such as dies, jigs, molds, patterns, fixtures, gauges, and drawings concerning such special tools used in the activities defined in classes 37.31 and 37.32. Special tools are specifically designed for the production or processing of particular machine components, products, or parts, and have no significant utilitarian value and cannot be adapted to further or different use after changes or improvements are made in the model design of the particular part produced by the special tools. Does not include general purpose small tools such as wrenches and drills, both hand and power-driven, and other general purpose equipment such as conveyors, transfer equipment, and materials handling devices.	6.5	5	6.5
37.41	Manufacture of Locomotives: Includes assets used in building or rebuilding railroad locomotives (including mining and industrial locomotives). Does not include assets of railroad transportation companies or assets of companies which manufacture components of locomotives but do not manufacture finished locomotives.	11.5	7	11.5
37.42	Manufacture of Railroad Cars: Includes assets used in building or rebuilding railroad freight or passenger cars (including rail transit cars). Does not include assets of railroad transportation companies or assets of companies which manufacture components of railroad cars but do not manufacture finished railroad cars.	12	7	12
39.0	Manufacture of Athletic, Jewelry, and Other Goods: Includes assets used in the production of jewelry; musical instruments; toys and sporting goods; motion picture and television films and tapes; and pens, pencils, office and art supplies, brooms, brushes, caskets, etc. Railroad Transportation: Classes with the prefix 40 include the assets identified below that are used in the commercial and contract carrying of passengers and freight by rail. Assets of electrified railroads will be classified in a manner corresponding to that set forth below for railroads not independently operated as electric lines. Excludes the assets included in classes with the prefix beginning 00.1 and 00.2 above, and also excludes any non-depreciable assets included in Interstate Commerce Commission accounts enumerated for this class.	12	7	12

Table B-2. Table of Class Lives and Recovery Periods

Asset class	Description of assets included	Recovery Periods (in years)		
		Class Life (in years)	GDS (MACRS)	ADS
40.1	Railroad Machinery and Equipment: Includes assets classified in the following Interstate Commerce Commission accounts: Roadway accounts: (16) Station and office buildings (freight handling machinery and equipment only) (25) TOFC/COFC terminals (freight handling machinery and equipment only) (26) Communication systems (27) Signals and interlockers (37) Roadway machines (44) Shop machinery Equipment accounts: (52) Locomotives (53) Freight train cars (54) Passenger train cars (57) Work equipment	14	7	14
40.2	Railroad Structures and Similar Improvements: Includes assets classified in the following Interstate Commerce Commission road accounts: (6) Bridges, trestles, and culverts (7) Elevated structures (13) Fences, snowsheds, and signs (16) Station and office buildings (stations and other operating structures only) (17) Roadway buildings (18) Water stations (19) Fuel stations (20) Shops and enginehouses (25) TOFC/COFC terminals (operating structures only) (31) Power transmission systems (35) Miscellaneous structures (39) Public improvements construction	30	20	30
40.3	Railroad Wharves and Docks: Includes assets classified in the following Interstate Commission Commerce accounts: (23) Wharves and docks (24) Coal and ore wharves	20	15	20
40.4	Railroad Track	10	7	10
40.51	Railroad Hydraulic Electric Generating Equipment	50	20	50
40.52	Railroad Nuclear Electric Generating Equipment	20	15	20
40.53	Railroad Steam Electric Generating Equipment	28	20	28
40.54	Railroad Steam, Compressed Air, and Other Power Plan Equipment	28	20	28
41.0	Motor Transport—Passengers: Includes assets used in the urban and interurban commercial and contract carrying of passengers by road, except the transportation assets included in classes with the prefix 00.2.	8	5	8
42.0	Motor Transport—Freight: Includes assets used in the commercial and contract carrying of freight by road, except the transportation assets included in classes with the prefix 00.2.	8	5	8
44.0	Water Transportation: Includes assets used in the commercial and contract carrying of freight and passengers by water except the transportation assets included in classes with the prefix 00.2. Includes all related land improvements.	20	15	20
45.0	Air Transport: Includes assets (except helicopters) used in commercial and contract carrying of passengers and freight by air. For purposes of section 1.167(a)-11(d)(2)(iv)(a) of the regulations, expenditures for “repair, maintenance, rehabilitation, or improvement” shall consist of direct maintenance expenses (irrespective of airworthiness provisions or charges) as defined by Civil Aeronautics Board uniform accounts 5200, maintenance burden (exclusive of expenses pertaining to maintenance buildings and improvements) as defined by Civil Aeronautics Board accounts 5300, and expenditures which are not “excluded additions” as defined in section 1.167(a)-11(d)(2)(vi) of the regulations and which would be charged to property and equipment accounts in the Civil Aeronautics Board uniform system of accounts.	12	7	12
45.1	Air Transport (restricted): Includes each asset described in the description of class 45.0 which was held by the taxpayer on April 15, 1976, or is acquired by the taxpayer pursuant to a contract which was, on April 15, 1976, and at all times thereafter, binding on the taxpayer. This criterion of classification based on binding contract concept is to be applied in the same manner as under the general rules expressed in sections 49(b)(1), (4), (5), and (8) of the Code (as in effect prior to its repeal by the Revenue Act of 1978, section 312(c)(1), (d), 1978-3 C.B. 1, 60).	6	5	6
46.0	Pipeline Transportation: Includes assets used in the private, commercial, and contract carrying of petroleum, gas, and other products by means of pipes and conveyors. The trunk lines and related storage facilities of integrated petroleum and natural gas producers are included in this class. Excludes initial clearing and grading land improvements as specified in Rev. Rul. 72-403, 1972-2 C.B. 102, but includes all other related land improvements.	22	15	22

Table B-2. Table of Class Lives and Recovery Periods

Asset class	Description of assets included	Class Life (in years)	Recovery Periods (in years)	
			GDS (MACRS)	ADS
48.11	Telephone Communications: Includes the assets classified below and that are used in the provision of commercial and contract telephonic services such as: Telephone Central Office Buildings: Includes assets intended to house central office equipment, as defined in Federal Communications Commission Part 31 Account No. 212 whether section 1245 or section 1250 property.	45	20	45
48.12	Telephone Central Office Equipment: Includes central office switching and related equipment as defined in Federal Communications Commission Part 31 Account No. 221. Does not include computer-based telephone central office switching equipment included in class 48.121. Does not include private branch exchange (PBX) equipment.	18	10	18
48.121	Computer-Based Telephone Central Office Switching Equipment: Includes equipment whose functions are those of a computer or peripheral equipment (as defined in section 168(i)(2)(B) of the Code) used in its capacity as telephone central office equipment. Does not include private exchange (PBX) equipment.	9.5	5	9.5
48.13	Telephone Station Equipment: Includes such station apparatus and connections as teletypewriters, telephones, booths, private exchanges, and comparable equipment as defined in Federal Communications Commission Part 31 Account No. 231, 232, and 234.	10	7*	10*
48.14	Telephone Distribution Plant: Includes such assets as pole lines, cable, aerial wire, underground conduits, and comparable equipment, and related land improvements as defined in Federal Communications Commission Part 31 Account Nos. 241, 242.1, 242.2, 242.3, 242.4, 243, and 244.	24	15	24
48.2	Radio and Television Broadcastings: Includes assets used in radio and television broadcasting, except transmitting towers. Telegraph, Ocean Cable, and Satellite Communications (TOCSC) includes communications-related assets used to provide domestic and international radio-telegraph, wire-telegraph, ocean-cable, and satellite communications services; also includes related land improvements. If property described in classes 48.31–48.45 is comparable to telephone distribution plant described in class 48.14 and used for 2-way exchange of voice and data communication which is the equivalent of telephone communication, such property is assigned a class life of 24 years under this revenue procedure. Comparable equipment does not include cable television equipment used primarily for 1-way communication.	6	5	6
48.31	TOCSC—Electric Power Generating and Distribution Systems: Includes assets used in the provision of electric power by generation, modulation, rectification, channelization, control, and distribution. Does not include these assets when they are installed on customers’ premises.	19	10	19
48.32	TOCSC—High Frequency Radio and Microwave Systems: Includes assets such as transmitters and receivers, antenna supporting structures, antennas, transmission lines from equipment to antenna, transmitter cooling systems, and control and amplification equipment. Does not include cable and long-line systems.	13	7	13
48.33	TOCSC—Cable and Long-Line Systems: Includes assets such as transmission lines, pole lines, ocean cables, buried cable and conduit, repeaters, repeater stations, and other related assets. Does not include high frequency radio or microwave systems.	26.5	20	26.5
48.34	TOCSC—Central Office Control Equipment: Includes assets for general control, switching, and monitoring of communications signals including electromechanical switching and channeling apparatus, multiplexing equipment patching and monitoring facilities, in-house cabling, teleprinter equipment, and associated site improvements.	16.5	10	16.5
48.35	TOCSC—Computerized Switching, Channeling, and Associated Control Equipment: Includes central office switching computers, interfacing computers, other associated specialized control equipment, and site improvements.	10.5	7	10.5
48.36	TOCSC—Satellite Ground Segment Property: Includes assets such as fixed earth station equipment, antennas, satellite communications equipment, and interface equipment used in satellite communications. Does not include general purpose equipment or equipment used in satellite space segment property.	10	7	10
48.37	TOCSC—Satellite Space Segment Property: Includes satellites and equipment used for telemetry, tracking, control, and monitoring when used in satellite communications.	8	5	8
48.38	TOCSC—Equipment Installed on Customer’s Premises: Includes assets installed on customer’s premises, such as computers, terminal equipment, power generation and distribution systems, private switching center, teleprinters, facsimile equipment, and other associated and related equipment.	10	7	10
48.39	TOCSC—Support and Service Equipment: Includes assets used to support but not engage in communications. Includes store, warehouse and shop tools, and test and laboratory assets. Cable Television (CATV): Includes communications-related assets used to provide cable television community antenna television services. Does not include assets used to provide subscribers with 2-way communications services.	13.5	7	13.5

* Property described in asset guideline class 48.13 which is qualified technological equipment as defined in section 168(i)(2) is assigned a 5-year recovery period.

Table B-2. Table of Class Lives and Recovery Periods

Asset class	Description of assets included	Class Life (in years)	Recovery Periods (in years)	
			GDS (MACRS)	ADS
48.41	CATV—Headend: Includes assets such as towers, antennas, preamplifiers, converters, modulation equipment, and program non-duplication systems. Does not include headend buildings and program origination assets.	11	7	11
48.42	CATV—Subscriber Connection and Distribution Systems: Includes assets such as trunk and feeder cable, connecting hardware, amplifiers, power equipment, passive devices, directional taps, pedestals, pressure taps, drop cables, matching transformers, multiple set connector equipment, and convertors.	10	7	10
48.43	CATV—Program Origination: Includes assets such as cameras, film chains, videotape recorders, lighting, and remote location equipment excluding vehicles. Does not include buildings and their structural components.	9	5	9
48.44	CATV—Service and Test: Includes assets such as oscilloscopes, field strength meters, spectrum analyzers, and cable testing equipment, but does not include vehicles.	8.5	5	8.5
48.45	CATV—Microwave Systems: Includes assets such as towers, antennas, transmitting and receiving equipment, and broad band microwave assets used in the provision of cable television services. Does not include assets used in the provision of common carrier services.	9.5	5	9.5
49.11	Electric, Gas, Water, and Steam Utility Services: Includes assets used in the production, transmission and distribution of electricity, gas, steam, or water for sale including related land improvements. Electric Utility Hydraulic Production Plant: Includes assets used in the hydraulic power production of electricity for sale, including related land improvements, such as dams, flumes, canals, and waterways.	50	20	50
49.12	Electric Utility Nuclear Production Plant: Includes assets used in the nuclear power production and electricity for sale and related land improvements. Does not include nuclear fuel assemblies.	20	15	20
49.121	Electric Utility Nuclear Fuel Assemblies: Includes initial core and replacement core nuclear fuel assemblies (i.e., the composite of fabricated nuclear fuel and container) when used in a boiling water, pressurized water, or high temperature gas reactor used in the production of electricity. Does not include nuclear fuel assemblies used in breeder reactors.	5	5	5
49.13	Electric Utility Steam Production Plant: Includes assets used in the steam power production of electricity for sale, combustion turbines operated in a combined cycle with a conventional steam unit and related land improvements. Also includes package boilers, electric generators, and related assets, such as, electricity and steam distribution systems as used by a waste reduction and resource recovery plant if the steam or electricity is normally for sale to others.	28	20	28
49.14	Electric Utility Transmission and Distribution Plant: Includes assets used in the transmission and distribution of electricity for sale and related land improvements. Excludes initial clearing and grading land improvements as specified in Rev. Rul. 72-403, 1972-2 C.B. 102.	30	20	30
49.15	Electric Utility Combustion Turbine Production Plant: Includes assets used in the production of electricity for sale by the use of such prime movers as jet engines, combustion turbines, diesel engines, gasoline engines, and other internal combustion engines, their associated power turbines and/or generators, and related land improvements. Does not include combustion turbines operated in a combined cycle with a conventional steam unit.	20	15	20
49.21	Gas Utility Distribution Facilities: Includes gas water heaters and gas conversion equipment installed by utility on customers' premises on a rental basis.	35	20	35
49.221	Gas Utility Manufactured Gas Production Plants: Includes assets used in the manufacture of gas having chemical and/or physical properties which do not permit complete interchangeability with domestic natural gas. Does not include gas-producing systems and related systems used in waste reduction and resource recovery plants which are elsewhere classified.	30	20	30
49.222	Gas Utility Substitute Natural Gas (SNG) Production Plant (naphtha or lighter hydrocarbon feedstocks): Includes assets used in the catalytic conversion of feedstocks or naphtha or lighter hydrocarbons to a gaseous fuel which is completely interchangeable with domestic natural gas.	14	7	14
49.223	Substitute Natural Gas—Coal Gasification: Includes assets used in the manufacture and production of pipeline quality gas from coal using the basic Lurgi process with advanced methanation. Includes all process plant equipment and structures used in this coal gasification process and all utility assets such as cooling systems, water supply and treatment facilities, and assets used in the production and distribution of electricity and steam for use by the taxpayer in a gasification plant and attendant coal mining site processes but not for assets used in the production and distribution of electricity and steam for sale to others. Also includes all other related land improvements. Does not include assets used in the direct mining and treatment of coal prior to the gasification process itself.	18	10	18
49.23	Natural Gas Production Plant	14	7	14
49.24	Gas Utility Trunk Pipelines and Related Storage Facilities: Excluding initial clearing and grading land improvements as specified in Rev. Rul. 72-40.	22	15	22
49.25	Liquefied Natural Gas Plant: Includes assets used in the liquefaction, storage, and regasification of natural gas including loading and unloading connections, instrumentation equipment and controls, pumps, vaporizers and odorizers, tanks, and related land improvements. Also includes pipeline interconnections with gas transmission lines and distribution systems and marine terminal facilities.	22	15	22

Table B-2. Table of Class Lives and Recovery Periods

Asset class	Description of assets included	Class Life (in years)	Recovery Periods (in years)	
			GDS (MACRS)	ADS
49.3	Water Utilities: Includes assets used in the gathering, treatment, and commercial distribution of water.	50	20***	50
49.4	Central Steam Utility Production and Distribution: Includes assets used in the production and distribution of steam for sale. Does not include assets used in waste reduction and resource recovery plants which are elsewhere classified.	28	20	28
49.5	Waste Reduction and Resource Recovery Plants: Includes assets used in the conversion of refuse or other solid waste or biomass to heat or to a solid, liquid, or gaseous fuel. Also includes all process plant equipment and structures at the site used to receive, handle, collect, and process refuse or other solid waste or biomass in a waterwall, combustion system, oil or gas pyrolysis system, or refuse-derived fuel system to create hot water, gas, steam, and electricity. Includes material recovery and support assets used in refuse or solid refuse or solid waste receiving, collecting, handling, sorting, shredding, classifying, and separation systems. Does not include any package boilers, or electric generators and related assets such as electricity, hot water, steam, and manufactured gas production plants classified in classes 00.4, 49.13, 49.221, and 49.4. Does include, however, all other utilities such as water supply and treatment facilities, ash handling, and other related land improvements of a waste reduction and resource recovery plant.	10	7	10
50.0	Municipal Wastewater Treatment Plant	24	15	24
51.0	Municipal Sewer	50	20***	50
57.0	Distributive Trades and Services: Includes assets used in wholesale and retail trade, and personal and professional services. Includes section 1245 assets used in marketing petroleum and petroleum products.	9	5	9*
57.1	Distributive Trades and Services—Billboard, Service Station Buildings, and Petroleum Marketing Land Improvements: Includes section 1250 assets, including service station buildings and depreciable land improvements, whether section 1245 property or section 1250 property, used in the marketing of petroleum and petroleum products, but not including any of these facilities related to petroleum and natural gas trunk pipelines. Includes car wash buildings and related land improvements. Includes billboards, whether such assets are section 1245 property or section 1250 property. Excludes all other land improvements, buildings, and structural components as defined in section 1.48-1(e) of the regulations.	20	15	20
79.0	Recreation: Includes assets used in the provision of entertainment services on payment of a fee or admission charge, as in the operation of bowling alleys, billiard and pool establishments, theaters, concert halls, and miniature golf courses. Does not include amusement and theme parks and assets which consist primarily of specialized land improvements or structures, such as golf courses, sports stadia, race tracks, ski slopes, and buildings which house the assets used in entertainment services.	10	7	10
80.0	Theme and Amusement Parks: Includes assets used in the provision of rides, attractions, and amusements in activities defined as theme and amusement parks, and includes appurtenances associated with a ride, attraction, amusement, or theme setting within the park such as ticket booths, facades, shop interiors, and props, special purpose structures, and buildings other than warehouses, administration buildings, hotels, and motels. Includes all land improvements for or in support of park activities (for example, parking lots, sidewalks, waterways, bridges, fences, landscaping, etc.), and support functions (for example, food and beverage retailing, souvenir vending, and other nonlodging accommodations) if owned by the park and provided exclusively for the benefit of park patrons. Theme and amusement parks are defined as combinations of amusements, rides, and attractions which are permanently situated on park land and open to the public for the price of admission. This guideline class is a composite of all assets used in this industry except transportation equipment (general purpose airplanes, etc., which are included in asset guideline classes with the prefix 00.2); assets used in the trucks, cars,provision of administrative services (asset classes with the prefix 00.1) and warehouses, administration buildings, hotels, and motels.	12.5	7	12.5
	Certain Property for Which Recovery Periods Assigned A. Personal Property With No Class Life Section 1245 Real Property With No Class Life B. Qualified Technological Equipment, as defined in section 168(i)(2). C. Property Used in Connection with Research and Experimentation referred to in section 168(e)(3)(B). D. Alternative energy property described in sections 48(l)(3)(A)(ix) (as in effect on the day before the date of enactment (11/5/90) of the Revenue Reconciliation Act of 1990). E. Biomass property described in section 48(l)(15) (as in effect on the day before the date of enactment (11/5/90) of the Revenue Reconciliation Act of 1990) and is a qualifying small production facility within the meaning of section 3(17)(c) of the Federal Power Act (16 U.S.C. 796(17)(C)), as in effect on September 1, 1986. F. Energy property described in section 48(a)(3)(A) (or would be described if “solar or wind energy” were substituted for “solar energy” in section 48(a)(3)(A)(i)).		7 7 5 5 5 5	12 40 5 class life if no class life—12 class life if no class life—12 class life if no class life—12 class life if no class life—12

* Any high technology medical equipment as defined in section 168(i)(2)(C) which is described in asset guideline class 57.0 is assigned a 5-year recovery period for the alternate MACRS method.

** The class life (if any) of property described in class B, C, D, E, or F is determined by reference to the asset guideline classes. If an item of property described in paragraph B, C, D, E, or F is not described in any asset guideline class, such item of property has no class life.

*** Use straight line over 25 years if placed in service after June 12, 1996, unless placed in service under a binding contract in effect before June 10, 1996, and at all times until placed in service.

Glossary

Abstract fees: Expenses generally paid by a buyer to research the title of real property.

Active conduct of a trade or business: Generally, for the section 179 deduction, a taxpayer is considered to conduct a trade or business actively if they meaningfully participate in the management or operations of the trade or business. A mere passive investor in a trade or business does not actively conduct the trade or business.

Adjusted basis: The original cost of property, plus certain additions and improvements, minus certain deductions such as depreciation allowed or allowable and casualty losses.

Amortization: A ratable deduction for the cost of intangible property over its useful life.

Amount realized: The total of all money received plus the fair market value

of all property or services received from a sale or exchange. The amount realized also includes any liabilities assumed by the buyer and any liabilities to which the property transferred is subject, such as real estate taxes or a mortgage.

Basis: A measure of an individual's investment in property for tax purposes.

Business/investment use: Usually, a percentage showing how much an item of property, such as an automobile, is used for business and investment purposes.

Capitalized: Expended or treated as an item of a capital nature. A capitalized amount is not deductible as a current expense and must be included in the basis of property.

Circumstantial evidence: Details or facts which indirectly point to other facts.

Class life: A number of years that establish the property class and recovery period for most types of property under the General

Depreciation System (GDS) and Alternative Depreciation System (ADS).

Commuting: Travel between a personal home and work or job site within the area of an individual's tax home.

Convention: A method established under the Modified Accelerated Cost Recovery System (MACRS) to determine the portion of the year to depreciate property both in the year the property is placed in service and in the year of disposition.

Declining balance method: An accelerated method to depreciate property. The GDS of MACRS uses the 150% and 200% declining balance methods for certain types of property.

A depreciation rate (percentage) is determined by dividing the declining balance percentage by the recovery period for the property.

Disposition: The permanent withdrawal from use in a trade or business or from the production of income.

Documentary evidence: Written records that establish certain facts. Other records, such as emails, pictures, or other electronic records could serve as evidence.

Exchange: To barter, swap, part with, give, or transfer property for other property or services.

Fair market value (FMV): The price that property brings when it is offered for sale by one who is willing but not obligated to sell, and is bought by one who is willing or desires to buy but is not compelled to do so.

Fiduciary: The one who acts on behalf of another as a guardian, trustee, executor, administrator, receiver, or conservator.

Fungible commodity: A commodity of a nature that one part may be used in place of another part.

Goodwill: An intangible property such as the advantage or benefit received in property beyond its mere value. It is not confined to a name but can also be attached to a particular area where business is transacted, to a list of customers, or to other elements of value in business as a going concern.

Grantor: The one who transfers property to another.

Improvement: An addition to or partial replacement of property that adds to its value, appreciably lengthens the time you can use it, or adapts it to a different use.

Intangible property: Property that has value but cannot be seen or touched, such as goodwill, patents, copyrights, and computer software.

Listed property: Passenger automobiles; any other property used for transportation; and property of a type generally used for entertainment, recreation, or amusement.

Nonresidential real property: Most real property other than residential rental property.

Placed in service: Ready and available for a specific use whether in a trade or business, the production of income, a tax-exempt activity, or a personal activity.

Property class: A category for property under MACRS. It generally determines the depreciation method, recovery period, and convention.

Recapture: To include as income on your return an amount allowed or allowable as a deduction in a prior year.

Recovery period: The number of years over which the basis of an item of property is recovered.

Remainder interest: That part of an estate that is left after all the other provisions of a will have been satisfied.

Residential rental property: Real property, generally buildings or structures, if 80% or more of its annual gross rental income is from dwelling units.

Salvage value: An estimated value of property at the end of its useful life. Not used under MACRS.

Section 1245 property: Property that is or has been subject to an allowance for depreciation or amortization. Section 1245 property includes personal property,

single-purpose agricultural and horticultural structures, storage facilities used in connection with the distribution of petroleum or primary products of petroleum, and railroad grading or tunnel bores.

Section 1250 property: Real property (other than section 1245 property) which is or has been subject to an allowance for depreciation.

Standard mileage rate: The established amount for optional use in determining a tax deduction for automobiles instead of deducting depreciation and actual operating expenses.

Straight line method: A way to figure depreciation for property that ratably deducts the same amount for each year in the recovery period. The rate (in percentage terms) is determined by dividing 1 by the number of years in the recovery period.

Structural components: Parts that together form an entire structure, such as a building. The term includes those parts of a building such as walls, partitions, floors, and ceilings, as well as any permanent coverings such as pan-eling or tiling, windows and doors, and all components of a central air conditioning or heating system including motors, compressors, pipes, and ducts. It also includes plumbing fixtures such as sinks, bathtubs, electrical wiring and

lighting fixtures, and other parts that form the structure.

Tangible property: Property you can see or touch, such as buildings, machinery, vehicles, furniture, and equipment.

Tax exempt: Not subject to tax.

Term interest: A life interest in property, an interest in property for a term of years, or an income interest in a trust.

It generally refers to a present or future interest in income from property or the right to use property that terminates or fails upon the lapse of time, the occurrence of an event, or the failure of an event to occur.

Unadjusted basis: The basis of an item of property for purposes of figuring gain on a sale without taking into account any depreciation taken in earlier years but with adjustments for other amounts, including amortization, the section 179 deduction, any special depreciation allowance,

any deduction claimed for clean-fuel vehicles or clean-fuel vehicle refueling property placed in service before January 1, 2006, and any electric vehicle credit.

Unit-of-production method: A way to figure depreciation for certain property. It is determined by estimating the number of units that can be produced before the property is worn out.

For example, if it is estimated that a machine will produce 1,000 units before its useful life ends, and it actually produces 100 units in a year, the percentage to figure depreciation for that year is 10% of the machine's cost less its salvage value.

Useful life: An estimate of how long an item of property can be expected to be usable in a trade or business or to produce income.

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To help us develop a more useful index, please let us know if you have ideas for index entries. See “Comments and Suggestions” in the “Introduction” for the ways you can reach us.

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Tax Publications for Business Taxpayers

See *How To Get Tax Help* for a variety of ways to get publications, including by computer, phone, and mail.

General Guides

- 1** Your Rights as a Taxpayer
- 17** Your Federal Income Tax
- 334** Tax Guide for Small Business

Employer's Guides

- 15** (Circular E), Employer's Tax Guide
- 15-A** Employer's Supplemental Tax Guide
- 15-B** Employer's Tax Guide to Fringe Benefits
- 926** Household Employer's Tax Guide

Specialized Publications

- 225** Farmer's Tax Guide
- 463** Travel, Gift, and Car Expenses
- 505** Tax Withholding and Estimated Tax
- 510** Excise Taxes
- 515** Withholding of Tax on Nonresident Aliens and Foreign Entities

- 517** Social Security and Other Information for Members of the Clergy and Religious Workers
- 527** Residential Rental Property
- 534** Depreciating Property Placed in Service Before 1987
- 536** Net Operating Losses (NOLs) for Individuals, Estates, and Trusts
- 537** Installment Sales
- 538** Accounting Periods and Methods
- 541** Partnerships
- 542** Corporations
- 544** Sales and Other Dispositions of Assets
- 551** Basis of Assets
- 556** Examination of Returns, Appeal Rights, and Claims for Refund
- 560** Retirement Plans for Small Business
- 561** Determining the Value of Donated Property
- 583** Starting a Business and Keeping Records
- 587** Business Use of Your Home
- 594** The IRS Collection Process
- 597** Information on the United States-Canada Income Tax Treaty
- 598** Tax on Unrelated Business Income of Exempt Organizations
- 901** U.S. Tax Treaties

- 908** Bankruptcy Tax Guide
- 925** Passive Activity and At-Risk Rules
- 946** How To Depreciate Property
- 947** Practice Before the IRS and Power of Attorney
- 966** Electronic Federal Tax Payment System: A Guide to Getting Started
- 1544** Reporting Cash Payments of Over \$10,000
- 1546** Taxpayer Advocate Service — We Are Here To Help You

Spanish-Language Publications

- 1SP** Derechos del Contribuyente
- 179** (Circular PR), Guía Contributiva Federal para Patronos Puertorriqueños
- 594SP** El Proceso de Cobro del IRS
- 850 (EN/SP)** English-Spanish Glossary of Words and Phrases
- 1544SP** Informe de Pagos en Efectivo en Exceso de \$10,000

Commonly Used Tax Forms

See *How To Get Tax Help* for a variety of ways to get forms, including by computer, phone, and mail.

Form Number and Title			Catalog Number	Form Number and Title			Catalog Number
W-2	Wage and Tax Statement		10134	2106	Employee Business Expenses		11700
W-4	Employee's Withholding Certificate		10220	2210	Underpayment of Estimated Tax by Individuals, Estates, and Trusts		11744
940	Employer's Annual Federal Unemployment (FUTA) Tax Return		11234	2441	Child and Dependent Care Expenses		11862
941	Employer's QUARTERLY Federal Tax Return		17001	2848	Power of Attorney and Declaration of Representative		11980
1040 or 1040-SR	U.S. Individual Income Tax Return		11320	3800	General Business Credit		12392
Sch A	Itemized Deductions		17145	3903	Moving Expenses		12490
Sch B	Interest and Ordinary Dividends		17146	4562	Depreciation and Amortization		12906
Sch C	Profit or Loss From Business		11334	4797	Sales of Business Property		13086
Sch D	Capital Gains and Losses		11338	4868	Application for Automatic Extension of Time To File U.S. Individual Income Tax Return		13141
Sch E	Supplemental Income and Loss		11344	5329	Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts		13329
Sch F	Profit or Loss From Farming		11346	6252	Installment Sale Income		13601
Sch H	Household Employment Taxes		12187	8283	Noncash Charitable Contributions		62299
Sch J	Income Averaging for Farmers and Fishermen		25513	8300	Report of Cash Payments Over \$10,000 Received in a Trade or Business		62133
Sch R	Credit for the Elderly or the Disabled		11359	8582	Passive Activity Loss Limitations		63704
Sch SE	Self-Employment Tax		11358	8606	Nondeductible IRAs		63966
1040-ES	Estimated Tax for Individuals		11340	8822	Change of Address		12081
1040-X	Amended U.S. Individual Income Tax Return		11360	8822-B	Change of Address or Responsible Party — Business		57465
1065	U.S. Return of Partnership Income		11390	8829	Expenses for Business Use of Your Home		13232
Sch D	Capital Gains and Losses		11393	8949	Sales and Other Dispositions of Capital Assets		37768
Sch K-1	Partner's Share of Income, Deductions, Credits, etc.		11394	8959	Additional Medicare Tax		59475
1120	U.S. Corporation Income Tax Return		11450				
1120-S	U.S. Income Tax Return for an S Corporation		11510				
Sch D	Capital Gains and Losses and Built-in Gains		11516				
Sch K-1	Shareholder's Share of Income, Deductions, Credits, etc.		11520				