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# When is capital placed in service?

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## Placed in Service

- Why does it matter?
  - Start of cost recovery - Regulation § 1.167(a)-10(b)
  - Bonus depreciation wind down (current law)
  - Investment credits
  - Tax Reform

## Placed in Service - Definition

- Regulation § 1.167(a)-11(e)(1)(i) –  
*“Property is first placed in service when first placed in a condition or state of readiness and availability for a specifically assigned function...”*
  - Also see Prop. Reg. § 1.168-2(l)(2)
  - Similar placed in service rules for investment tax credit purposes ...  
Regulation § 1.46-3(d)

Mr. Owl, how can I know when my assets are placed in service?



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