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14th Biennial Parker C. Fielder
Oil and Gas Tax Conference
November 16-17, 2017
Houston, Texas

When is capital placed in service?

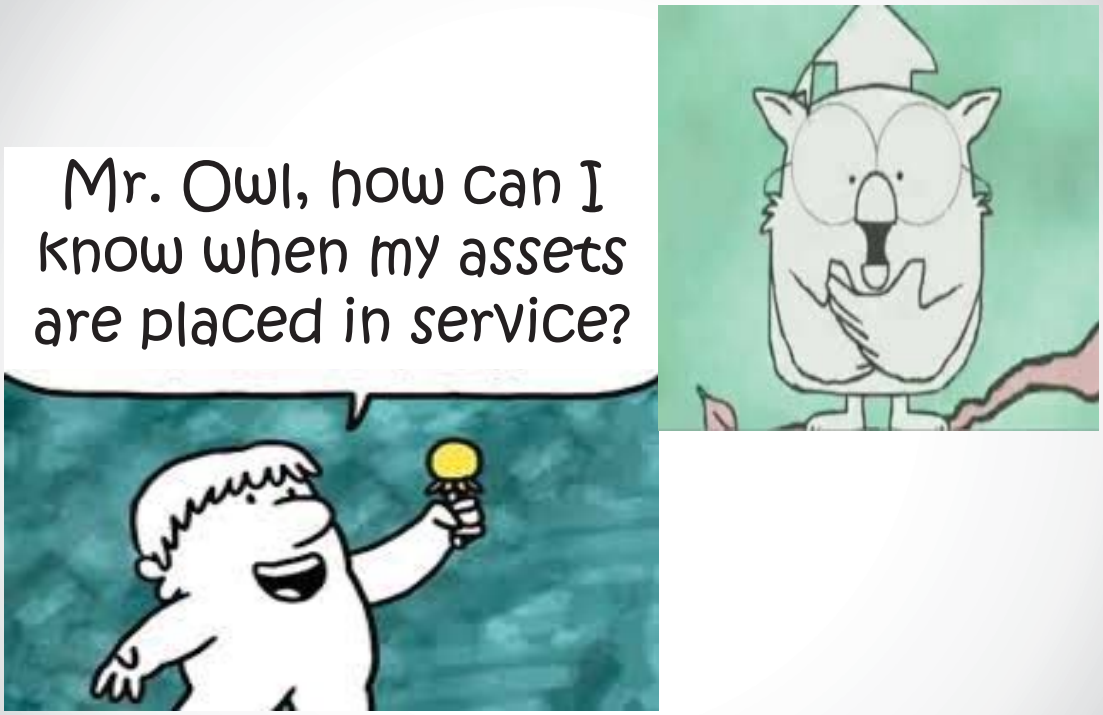
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Placed in Service

- 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)



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First appeared as part of the conference materials for the
14th Biennial Parker C. Fielder Oil and Gas Tax Conference session
"Capital Cost Recovery"