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When is capital placed in service?

J. Shayne Buchanan
Occidental Petroleum
Tulsa, Oklahoma
Shayne_Buchanan@oxy.com
918-561-2978

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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