

Internal Revenue Service, Treasury

§ 1.168(i)-5T

that is not a tax-exempt entity as defined in section 168(h)(2), the subsequent method of depreciation will be determined pursuant to section 168(i)(5).

(g) *Effective date*—(1) *In general*. Except as provided in paragraph (g)(2) of this section, this section applies to leases entered into on or after April 20, 1995.

(2) *Special rules*. Paragraphs (b)(1)(ii) and (c) of this section apply to leases entered into after April 26, 1996.

[T.D. 8667, 61 FR 18677, Apr. 29, 1996]

§ 1.168(i)-5T Table of contents (temporary).

This section lists the major paragraphs contained in § 1.168(i)-6T.

§ 1.168(i)-6T Like-kind exchanges and involuntary conversions (temporary).

- (a) Scope.
- (b) Definitions.
 - (1) Replacement MACRS property.
 - (2) Relinquished MACRS property.
 - (3) Time of disposition.
 - (4) Time of replacement.
 - (5) Year of disposition.
 - (6) Year of replacement.
 - (7) Exchanged basis.
 - (8) Excess basis.
 - (9) Depreciable exchanged basis.
 - (10) Depreciable excess basis.
 - (11) Like-kind exchange.
 - (12) Involuntary conversion.
- (c) Determination of depreciation allowance.
 - (1) Computation of the depreciation allowance for depreciable exchanged basis beginning in the year of replacement.
 - (i) In general.
 - (ii) Applicable recovery period, depreciation method, and convention.
 - (2) Effect of depreciation treatment of the replacement MACRS property by previous owners of the acquired property.
 - (3) Recovery period and/or depreciation method of the properties are the same, or both are not the same.
 - (i) In general.
 - (ii) Both the recovery period and the depreciation method are the same.
 - (iii) Either the recovery period or the depreciation method is the same, or both are not the same.
 - (4) Recovery period or depreciation method of the properties is not the same.
 - (i) Longer recovery period.
 - (ii) Shorter recovery period.
 - (iii) Less accelerated depreciation method.
 - (iv) More accelerated depreciation method.
 - (v) Convention.
 - (A) In general.
 - (B) Mid-quarter convention.

(5) Year of disposition and year of replacement.

- (i) Relinquished MACRS property.
- (ii) Replacement MACRS property.
 - (A) Year of replacement is 12 months.
 - (B) Year of replacement is less than 12 months.
- (iii) Deferred transactions.
 - (A) In general.
 - (B) Allowable depreciation for a qualified intermediary.
- (iv) Remaining recovery period.
- (6) Examples.
- (d) Special rules for determining depreciation allowances.
 - (1) Excess basis.
 - (i) In general.
 - (ii) Example.
 - (2) Depreciable and nondepreciable property.
 - (3) Depreciation limitations for automobiles.
 - (i) In general.
 - (ii) Order in which limitations on depreciation under section 280F(a) are applied.
 - (iii) Depreciation allowance for depreciable excess basis.
 - (iv) Examples.
 - (4) Replacement MACRS property acquired and placed in service before disposition of relinquished MACRS property.
 - (e) Use of optional depreciation tables.
 - (1) Taxpayer not bound by prior use of table.
 - (2) Determination of the depreciation deduction.
 - (i) Relinquished MACRS property.
 - (ii) Replacement MACRS property.
 - (A) Determination of the appropriate optional depreciation table.
 - (B) Calculating the depreciation deduction for the replacement MACRS property.
 - (iii) Unrecovered basis.
 - (3) Excess basis.
 - (4) Examples.
 - (f) Mid-quarter convention.
 - (1) Exchanged basis.
 - (2) Excess basis.
 - (3) Depreciable property acquired for nondepreciable property.
 - (g) Section 179 election.
 - (h) Additional first year depreciation deduction.
 - (i) Election not to apply this section.
 - (j) Time and manner of making elections.
 - (1) In general.
 - (2) Time for making election.
 - (3) Manner of making election.
 - (4) Revocation.
 - (k) Effective date.
 - (1) In general.
 - (2) Application to pre-effective date like-kind exchanges and involuntarily conversions.

[T.D. 9115, 69 FR 9536, Mar. 1, 2004]