



Depreciation Methods

Here's a chart to help you understand what rules apply in depreciating capital expenses for your business:

<i>Depreciation Category</i>	<i>Depreciation Method</i>	<i>May I Use Section 179 Rules?</i>
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Personal Property

A. Personal computer

- business use 50% or less 5-year straight line No
- business-use more than 50% 5-year straight line *or* Yes
5-year 200% declining balance

B. Other personal property (furniture, appliances, play equipment, etc.)

- Time-Space Percentage *or* 7-year straight line *or* No
business-use 50% or less 7-year 200% declining balance
- Time-Space percentage *or* 7-year straight line *or* Yes
business-use more than 50% 7-year 200% declining balance

Home Improvements

for all Time-Space Percentages *or* 39-year straight line No
business-use percentages
(Repair/maintenance – 1 year)

Land Improvements

for all Time-Space Percentages *or* 15-year straight line *or* No
business-use percentages 15-year 150% declining balance

Home Depreciation

for all Time-Space percentages 39-year straight line No

Automobile Depreciation

- business-use 50% or less 5-year straight line No
- business-use more than 50% 5-year straight line *or* Yes
5-year 200% declining balance

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