



Qualified Improvements Quick Reference Guide

Curt Gautreau

(225) 921- 2500

curt@crsbr.com

Qualified Leasehold Improvement Property (QLI)

PIS Dates	MACRS Recovery Period	Bonus Dep Eligible	3 Year Rule	Unrelated Parties Rule	179 Expense Eligible	Code Section
9/11/01 - 10/22/04	39 SL	Yes	Yes - See Below	Yes	N/A	168 (e)(6)
10/23/04 - Onward	15 SL	Yes - Unless PIS 1/1/2005 - 12/31/2007	Yes - See Below	Yes	2010 - 2014 (\$250K Cap, \$500K for 2015, 2010 - 2015 carry forward limits after 2015 subject to normal 179 Expense Cap)	169 (e)(6)

Qualified leasehold improvement property (QLI) - a commercial improvement to an interior portion of an existing structure which is at least 3 years old and such improvement is subject to a commercial lease. Improvement can be made by lessee or lessor. It shall not include any expenditures that relates to the expansion of existing facility, no structural framework, common areas, or elevators and escalators (improvement must be to the inside of the building).

Qualified Retail Improvement Property (ORI)

PIS Dates	MACRS Recovery Period	Bonus Dep Eligible	3 Year Rule	Unrelated Parties Rule	179 Expense Eligible	Code Section
01/01/09 - 12/31/15	15 SL	No - Unless improvement meets criteria of QLI	Yes - See Below	No	2010 - 2014 (\$250K Cap, \$500K for 2015, 2010 - 2015 carry forward limits after 2015 subject to normal 179 Expense Cap)	168 (e)(8)
01/01/16 - Onward	15 SL	Yes	Yes - See Below	No	Yes - Normal 179 Expense Cap	168 (e)(8)

Qualified retail improvement property (QLI) - a commercial improvement to an interior portion of an existing structure which is at least 3 years old. Improvement can be made by lessee or lessor. It shall not include any expenditures that relates to the expansion of existing facility, no structural framework, common areas, or elevators and escalators (improvement must be to the inside of the building).

Qualified Restaurant Property

PIS Dates	MACRS Recovery Period	Bonus Dep Eligible	3 Year Rule	Unrelated Parties Rule	179 Expense Eligible	Code Section
10/23/04 - 12/31/07	15 SL	No - Unless PIS 10/23/04 - 12/31/04	Yes - See Below	No	N/A	168 (e)(7)
01/01/08 - 12/31/08	15 SL	Yes	Yes - See Below	No	N/A	168 (e)(7)
01/01/09 - Onward	15 SL	No - Unless improvement meets criteria of QLI or QIP after 2015	No	No	2010 - 2014 (\$250K Cap, \$500K for 2015, 2010 - 2015 carry forward limits after 2015 subject to normal 179 Expense Cap)	168 (e)(7)

Qualified restaurant property 2004 - 2008: an improvement to a building if - (A) Such improvement is placed in service more than 3 years after the date such building was first placed in service and (B) more than 50 percent of the building's square footage is devoted to preparation of, and seating for on-premises consumption of prepared meals. Restaurant tenant improvements located within a multi-tenant building where 50 percent of the building's total square footage is not leased to restaurants, do not meet the definition of Qualified Restaurant Property.

Qualified restaurant property 2009 - onward: Any section 1250 property which is (i) a building or improvement to a building - if more than 50 percent of the building's square footage is devoted to preparation of, and seating for on-premises consumption of, prepared meals, and (ii) if such building is placed in service after December 31, 2008. Restaurant tenant improvements located within a multi-tenant building where 50 percent of the building's total square footage is not leased to restaurants, do not meet the definition of Qualified Restaurant Property.

Qualified Improvement Property (QIP)

PIS Dates	MACRS Recovery Period	Bonus Dep Eligible	3 Year Rule	Unrelated Parties Rule	179 Expense Eligible	Code Section
01/01/16 - Onward	39 SL - Unless meet the definition of Qualified Restaurant, Retail or Leasehold Then 15 SL	Yes	No	No	Yes (Subject to normal 179 Expense Cap)	168 (k)(3)

Qualified improvement property (QIP) 2016 - onward: (A) Any improvement to an interior portion of a building which is nonresidential real property if such improvement is placed in service after the date the building was first placed in service. (B) Certain improvements not included, Such term shall not include any improvement for which the expenditure is attributable to - (i) the enlargement of the building, (ii) any elevator or escalator, (iii) the internal structural framework of the building.

Bonus Depreciation Rates

Date	Rate
9/11/01 - 05/05/03	30%
05/06/03 - 12/31/04	50%
01/01/08 - 09/08/10	50%
09/09/10 - 12/31/11	100%
01/01/12 - 12/31/17	50%
01/01/18 - 12/31/18	40%
01/01/19 - 12/31/19	30%

**The above information was compiled by Cost Segregation Initiatives and is intended to be used as a quick reference guide. Not intended as final authority. Reference appropriate Tax Literature before making any final tax decisions.*

17732 Highland Road Ste G-114, Baton Rouge, LA 70810
Phone (225) 910-8195, Fax (225) 612-6790
Web www.crsbr.com