

**Modified Accelerated Cost Recovery System (post 1986)**

MACRS Method Usage			MACRS (GDS) 200 DB	MACRS (GDS) 150 DB	MACRS (GDS & ADS) Straight Line	MACRS (ADS) 150 DB
Type of Property	Recovery Period	Convention	Table		Table	Table
Personal Property	3, 5, 7, 10	HY	A-1	A-14	A-8	A-14
	3, 5, 7, 10	MQ	A-2 - A5	A-15 - A18	A-9 - A-12	A-15 - A18
	15, 20	HY		A-1		
	15, 20	MQ		A-2 - A5		
Residential Rental Property	27.5	MM			(GDS) A-6	
	40	MM			(ADS) A-13	
Non-Residential Real	Pre'94 31.5	MM			(GDS) A-7	
	Post '94 39	MM			(GDS) A7a	
	40	MM			(ADS) A-13	
Indian Reservation Property	See Pub 946 for special rules.				A-21 - A-24	

This reference card will assist you in determining the appropriate Depreciation Method and Reference Table as shown in IRS Pub 946.

For detailed explanations of each Depreciation Method and Reference Table as it applies to Rental Real Estate, see IRS Pub 527 "Residential Rental Property".

Methods	
200% Declining Balance over General Depreciation System (GDS) recovery periods.	Fastest Recovery in early years.
150% Declining Balance over General Depreciation System (GDS) recovery periods.	Fast Recovery in early years. Required for some farm property.
Straight Line over General Depreciation System (GDS) recovery periods.	Provides for equal yearly deductions (except 1st and last year)
Straight Line over Alternative Depreciation System (ADS) recovery periods.	Provides for equal yearly deductions. Required for some property types.

Sec 1231 Property - Non-Real -  
Cattle Crops, Horses, etc.

Conventions	
HY	Treat all property placed in service or disposed of during a tax year as placed in service or disposed of at the midpoint of the year. (July 1)
MM	Treat all property placed in service or disposed of during a month as placed in service or disposed of at the midpoint of the month.
MQ	Used if the total depreciable bases of MACRS property you placed in service during the last 3 months of the tax year exceeds 40% of all MACRS property.  Treat all property placed in service or disposed of during any quarter as placed in service or disposed of at the midpoint of that quarter. This means that 1 1/2 months of depreciation applies for the quarter placed in service or disposed.

Sec 1245 Property - Personal  
Autos, Tools, Furniture, etc.

Sec 1250 Property -  
Res Real

NOTE: You cannot use MACRS for property you placed in service before 1987 (except property you placed in service after July 31, 1986, if MACRS was elected). Property placed in service before 1987 must be depreciated under ACRS. ACRS depreciation is discussed in Publication 534.