

MACRS Tax Depreciation – Modified Accelerated Cost Recovery System

MACRS tax method is the only tax method available in cynergi.

MACRS Fiscal year parameters are set for each inventory year. The Inventory start/end dates, Convention, Method, Life, and Bonus are parameters that are set for each fiscal year to allow your accounting firm to manipulate the parameters for each year to meet your tax depreciation needs. Regular, AMT, Bonus, and Section 179 depreciation values are available.

- **Notes:** The Government makes the determination on the MACRS allowed values. The latest program changes that were allowed by the government are as follows:

1. Define every fiscal year for which purchases should be depreciated using the MACRS method.

2. Fields

- a. MACRS Meth: 2=200%, 1=150%, S=Straight-line
- b. MACRS Convention:
H=Half-year, Q=Mid-quarter
- c. MACRS Lf2/Start:
Enter a life #2 and start date only if life changes during the fiscal year
- d. AMT Meth: 1=150%, S=Straight-line
- e. AMT Lf2/Start:
Enter a life #2 and start date only if life changes during the fiscal year
- f. Sec 179 From/Thru:
Enter from and thru purchase dates (MMDDYY) to identify units to be reduced.
- g. Sec 179 Reduc:
Amount to reduce EACH unit chosen from the date range specified.
- h. Take MACRS Bonus
This switch can only be set to "Y"; based on these Rules:

Bonus depreciation has been altered as follows:

. 100% for property placed in service after Sept. 27, 2017 and before Jan. 1, 2023;

. 80% for property placed in service during calendar year 2023;

. 60% for property placed in service during calendar year 2024;

. 40% for property placed in service during calendar year 2025;

. 20% for property placed in service during calendar year 2026.

For property placed in service after 2026, bonus depreciation will not be allowed.

Property placed in service prior to Sept. 28, 2017 is still only eligible for 50% bonus depreciation.

For property placed in service between September 28, 2017 and December 31, 2017, taxpayers have three options:

1. 100% bonus depreciation, or
2. 50% bonus depreciation, or
3. No bonus (regular depreciation)

The same AMT rules apply: if you use the bonus depreciation, the property is not subject to the alternate (150%) AMT calculation, so bonus property will continue to use the same method and life for AMT purposes that it does for regular tax.

Note also that the new bonus depreciation rules apply to new and used property. For property purchased after Sept 27, 2017, all rental merchandise will qualify for bonus treatment.

The "section 179" expensing limits and purchases cap have been raised, as well.

| MACRS Parameter Change | | MACRPMNT |
|-------------------------------------------------------------------------------------------------------------------------------------|------------------|----------------------------------------------------|
| For Fiscal Year: | 2014 | |
| Start/End Dates: | 1/01/14 12/31/14 | |
| MACRS Parameters | | |
| Method: | 2 200% DB | Options are 1) 150% DB 2) 200% DB 3) Straight Line |
| Convention: | H HALF-YEAR | Options are H) Half-year M) Mid-quarter |
| Life #1: | 3.0 | |
| Life #2/Start Date: | 0.0 | |
| AMT Parameters | | |
| Method: | 1 150% DB | Options are 1) 150% DB 2) 200% DB 3) Straight Line |
| Life #1: | 3.0 | |
| Life #2/Start Date: | 0.0 | |
| Sec. 179 Parameters | | |
| Start/End Dates: | | |
| Adjustment Amount: | 0.00 | |
| Bonus Parameters | | |
| Take MACRS Bonus: | N | |
| Go Zone Bonus: | N | |
| Enter a Start Date | | |
| <div style="display: flex; justify-content: space-between;"> F5-Help F8-Prev F10-Exit </div> | | |