



Memo

To: A&S Builders

From: Craig Schupp, Vice President

Date: March 2, 2011

RE: Bonus Depreciation for Agricultural Buildings

Dear A&S Builder,

Did you know certain buildings may qualify for 100% bonus depreciation?

The Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of 2010 increased the bonus depreciation rate from 50% to 100% for new property “which has a recovery period of 20 years or less” (Internal Revenue Code Sec. 168(k)(A)(l)(i)) that is acquired after September 8, 2010 and placed in service before January 1, 2012. Most buildings have a recovery period that is greater than 20 years. However, farm buildings and single purpose agricultural or horticultural structures within the meaning of section 168(i)(13) of the Internal Revenue Code have a recovery period of 20 years and 10 years respectively. Therefore, these buildings may qualify for bonus depreciation if acquired after September 8, 2010 and placed in service before January 12, 2012.

We felt this information could create additional selling features to the end owner, large enough that our A&S Builders could use it to set themselves apart from the competition.

Consult Your Tax Advisor

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