

Revenue Procedure 87-57

Excerpts

8. OPTIONAL TABLES

.01. This section contains optional depreciation tables that may be used by certain taxpayers in computing annual depreciation allowances under section 168 of the Code. The depreciation tables may be used with respect to any item of property placed in service in a taxable year. For all items of property placed in service in a taxable year for which the depreciation tables are not used, depreciation allowances must be computed in the manner prescribed in sections 2-7 of this revenue procedure.

.02. The optional depreciation tables specify schedules of annual depreciation rates to be applied to the unadjusted basis of property in each taxable year. If a taxpayer uses a table to compute the annual depreciation allowance for any item of property, the taxpayer must use the table to compute the annual depreciation allowances for the entire recovery period of such property. However, a taxpayer may not continue to use the table if there are any adjustments to the basis of the property for reasons other than (1) depreciation allowed or allowable or (2) an addition or an improvement to such property that is subject to depreciation as a separate item of property. Use of the tables in this revenue procedure to compute depreciation allowances does not require the filing of any notice with the Internal Revenue Service.

Taxpayers use the appropriate table for any property based on the depreciation system, the applicable depreciation method, the applicable recovery period, and the applicable convention. The tables list the percentage depreciation rates to be applied to the unadjusted basis of property in each taxable year.

In Tables 1-5, for the general depreciation system, the listed depreciation rates reflect the 200 percent declining balance method switching to the straight line method for property with applicable recovery periods of 3, 5, 7 or 10 years and the 150 percent declining balance method switching to straight line method for property with applicable recovery periods of 15 and 20 years.

Table 1. General Depreciation System

Applicable Depreciation Method: 200 or 150 Percent Declining Balance

Switching to Straight Line

Applicable Recovery Periods: 3, 5, 7, 10, 15, 20 years

Applicable Convention: Half-year

If the Recovery Year is:	and the Recovery Period is:					
	3-year	5-year	7-year	10-year	15-year	20-year
	the Depreciation Rate is:					
1	33.33	20.00	14.29	10.00	5.00	3.750
2	44.45	32.00	24.49	18.00	9.50	7.219
3	14.81	19.20	17.49	14.40	8.55	6.677
4	7.41	11.52	12.49	11.52	7.70	6.177
5		11.52	8.93	9.22	6.93	5.713
6		5.76	8.92	7.37	6.23	5.285
7			8.93	6.55	5.90	4.888
8			4.46	6.55	5.90	4.522
9				6.56	5.91	4.462
10				6.55	5.90	4.461
11				3.28	5.91	4.462
12					5.90	4.461
13					5.91	4.462
14					5.90	4.461
15					5.91	4.462
16					2.95	4.461
17						4.462
18						4.461
19						4.462
20						4.461
21						2.231