

### Reg. Section 1.179-1(d)(1)

Election to expense certain depreciable assets.

(d) Partial business use—



(1) In general. If a taxpayer uses section 179 property for trade or business as well as other purposes, the portion of the cost of the property attributable to the trade or business use is eligible for expensing under section 179 provided that more than 50 percent of the property's use in the taxable year is for trade or business purposes. The limitations of section 179(b) and § 1.179-2 are applied to the portion of the cost attributable to the trade or business use.

(2) Example. The following example illustrates the provisions of paragraph (d)(1) of this section.

Example. A purchases section 179 property costing \$10,000 in 1991 for which 80 percent of its use will be in A's trade or business. The cost of the property adjusted to reflect the business use of the property is \$8,000 (80 percent \$10,000). Thus, A may elect to expense up to \$8,000 of the cost of the property (subject to the limitations imposed under section 179(b) and § 1.179-2).

(3) Additional rules that may apply. If a section 179 election is made for "listed property" within the meaning of section 280F(d)(4) and there is personal use of the property, section 280F(d)(1), which provides rules that coordinate section 179 with the section 280F limitation on the amount of depreciation, may apply. If section 179 property is no longer predominantly used in the taxpayer's trade or business, paragraphs (e) (1) through (4) of this section, relating to recapture of the section 179 deduction, may apply.

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