

Internal Revenue Service

Department of the Treasury

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Washington, DC 20224

Person to Contact:

Telephone Number:

Refer Reply To:

CC:PSI:6-COR-134783-01

Date:

July 26, 2001

Re: Rules for Making a Section 179 Election

Dear [REDACTED]:

This letter is in response to your representative's letter, dated June 5, 2001, to Commissioner of Internal Revenue inquiring about the rules for making an election under section 179 of the Internal Revenue Code. We hope that you find the following general information to be helpful.

A section 179 election must be made on a taxpayer's original tax return filed for the tax year in which the section 179 property is placed in service (whether or not the return is filed timely). The election cannot be made on an amended return filed after the due date of the return (including extensions). However, if the taxpayer timely filed a return for the year without making the section 179 election, the taxpayer can still make the section 179 election by filing an amended return within 6 months of the due date of the return (excluding extensions). See IRS Publication 946, How To Depreciate Property, Chapter 2, Section 179 Deduction, a copy of which is enclosed.

The copies of the following materials, which are the sources of the rules for making a section 179 election, are enclosed for your reference and the information provided therein may be of interest to you:

- (1) Section 179(c)(1) of the Internal Revenue Code
- (2) The legislative history of section 179(c)(1) (S. Rep. No. 144, 97th Cong., 1st Sess. 61 (1981), 1981-2 C.B. 412, 432),
- (3) Section 1.179-5(a) of the Income Tax Regulations, and
- (4) Section 301.9100-2(b) of the Income Tax Regulations.

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This letter has called your attention to certain general principles of tax law. It is intended for informational purposes only and does not constitute a ruling. See sections 2.01 and 2.04 of Revenue. Procedure, 2001-1, 2001-1 I.R.B. 4, a copy of which is enclosed. We hope the materials enclosed will be helpful to you; however, if you should have any additional questions or comments, please contact our office at (202) 622-3110.

Sincerely yours,

Charles B. Ramsey

CHARLES B. RAMSEY
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Enclosures (5)