



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

OFFICE OF
CHIEF COUNSEL

Number: **INFO 2006-0073**
Release Date: 9/29/2006
UIL: 168.36-00

August 31, 2006

Dear _____ :

I apologize for the delay in responding to your letter of February 23, 2006, to the Secretary of Treasury on behalf of _____, requesting an extension of the placed-in-service date deadline of December 31, 2005, under section 168(k) of the Internal Revenue Code (the Code).

An additional first year depreciation deduction is available for certain depreciable property (section 168(k) of the Code). To qualify for the additional first year depreciation deduction, the property must satisfy several requirements. One of these requirements is that the taxpayer must have placed the property in service before January 1, 2005. However, for certain depreciable property with a long production period, the taxpayer must have placed the property in service before January 1, 2006.

The Gulf Opportunity Zone Act of 2005 ("GOZA") amended the Internal Revenue Code to help people affected by Hurricane Katrina, Hurricane Rita, or Hurricane Wilma. The GOZA provides that the Secretary of Treasury may extend the placed-in-service date of before January 1, 2006, under section 168(k) of the Code for a period not to exceed 1 year for certain property with a long production period and for certain aircraft under certain circumstances (section 105 of the GOZA). On May 8, 2006, we published Announcement 2006-29, 2006-19 I.R.B. 879, to implement section 105 of the GOZA.

This announcement extends the placed-in-service date under section 168(k) of the Code to before January 1, 2007 for certain property with a long production period or for certain aircraft that the taxpayer places in service, or that a person manufactures, in the Gulf Opportunity (GO) Zone, the Rita GO Zone, or the Wilma GO Zone, if the taxpayer was unable to meet the December 31, 2005, placed-in-service date deadline for the property as a result of Hurricane Katrina, Hurricane Rita, or Hurricane Wilma. I am enclosing a copy of this announcement.

I hope this information is helpful. If you have any questions, please contact
, Identification Number , at () .

Sincerely,

Charles B. Ramsey

Charles B. Ramsey
Branch Chief, Branch 6
(Passthroughs and Special Industries)

Enclosure