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How to Implement the 100% Bonus Depreciation US Tax Law Signed Dec 17 2010 [ID 1278314.1]

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Applies to:

Oracle Assets - Version: 11.5.10.0 to 12.1.3 - Release: 11.5 to 12.1
Information in this document applies to any platform.

Goal

How to implement the new US tax legislation signed into law 17-Dec-2010 which allows qualified property 100% l acquired, similar to the previous 30% and 50% bonus methods.

The link to the information about the law is at:

<http://www.publications.pwc.com/DisplayFile.aspx?Attachmentid=4030&Mailinstanceid=19054>

The Bonus Depreciation information starts on Page 4.

Solution

Support has logged an Enhancement Request (BUG 10415151).

However, there are several workarounds in the current functionality to get desired 100% bonus depreciation in pe assets:

- Unplanned Depreciation
- Override Depreciation

In case a customer wishes to take benefit of the 100% bonus depreciation in the first period of the life of the asse depreciation feature. Note, that this method requires customers to manually tag each asset for unplanned deprec

Since unplanned depreciation is currently not allowed with table-based methods , you can use the following work

1. Add the asset with a non-table based method.
2. Enter unplanned depreciation (expensed) equal to the 100% bonus depreciation amount e.g. equal to the asse
3. Change the depreciation method to MACRS.
4. Run depreciation.

All these steps must be done in the first period of the asset in order to take the 100% bonus in the first period of t also that you can post unplanned depreciation to a specific account of your choice, which gives you a way of trac a specific account.

There is an Unplanned Depreciation API available, and Override Depreciation is entered in an interface table (FA options are covered in the Oracle Assets User Guide for Release 11i and R12 (Chapter 5 - Depreciation).

REFERENCE:
BUG 10415151 - 100% BONUS DEPRECIATION REQUIREMENT FOR NEW US TAX LAW

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