

## REAL ESTATE



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**Q Can I take an additional depreciation deduction on tenant improvements made to leased property?**

**A** Yes. You are entitled to an additional 50% depreciation write-off for qualified leasehold improvements. In general, qualified leasehold improvements are improvements to an interior portion of non-residential real estate. The improvements must be made under or pursuant to a lease, either by the lessee, sublessee or lessor of the portion of the building which is leased, and must be placed in service after December 31, 2007 and before January 1, 2009. Certain structural improvements, building expansions, and improvements to common areas do not qualify. Additionally, the building must have been placed in service at least three years prior to the date the improvement is placed in service. Any remaining depreciable basis of the qualified leasehold improvement is depreciated on a straight line basis over the life of the building, generally 39 years.