Internal Revenue Code Section 280F(a)(1)
Limitation on depreciation for luxury automobiles; limitation where certain property used for personal purposes

(a) Limitation on amount of depreciation for luxury automobiles.
  (1) Depreciation.
    (A) Limitation. The amount of the depreciation deduction for any taxable year for any passenger automobile shall not exceed-
      (i) $10,000 for the 1st taxable year in the recovery period,

      (ii) $16,000 for the 2nd taxable year in the recovery period,

      (iii) $9,600 for the 3rd taxable year in the recovery period, and

      (iv) $5,760 for each succeeding taxable year in the recovery period.

    (B) Disallowed deductions allowed for years after recovery period.
      (i) In general. Except as provided in clause (ii) , the unrecovered basis of any passenger automobile shall be treated as an expense for the 1st taxable year after the recovery period. Any excess of the unrecovered basis over the limitation of clause (ii) shall be treated as an expense in the succeeding taxable year.

      (ii) $5,760 limitation. The amount treated as an expense under clause (i) for any taxable year shall not exceed $5,760.

      (iii) Property must be depreciable. No amount shall be allowable as a deduction by reason of this subparagraph with respect to any property for any taxable year unless a depreciation deduction would be allowable with respect to such property for such taxable year.

      (iv) Amount treated as depreciation deduction. For purposes of this subtitle, any amount allowable as a deduction by reason of this subparagraph shall be treated as a depreciation deduction allowable under section 168 .

    (C) Repealed.

  (2) Coordination with reductions in amount allowable by reason of personal use, etc. This subsection , shall be applied before-
    (A) the application of subsection (b) , and

(B) the application of any other reduction in the amount of any depreciation deduction allowable under section 168 by reason of any use not qualifying the property for such credit or depreciation deduction.

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