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S.F. No. 3588 – Conforming to federal treatment of qualified improvement property

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Qualified improvement property (QIP) is an improvement made by a taxpayer to an interior portion of a nonresidential building if the improvement is placed in service after the building was first placed in service. The CARES Act, enacted in March, 2020, specified that QIP for property placed in service after December 31, 2017, may be depreciated over a 15-year period, instead of the 39-year period generally applied to commercial property.

This bill conforms to the CARES Act treatment of QIP, effective retroactively to the same time the federal changes were effective.