

## Instructions for Form 2106 Employee Business Expenses

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### Note Regarding the Georgia Form 2106:

For 2022, Georgia follows the Federal rules, that eliminate employee business expenses for most taxpayers.

Georgia will **not** provide a Form 2106 for tax year 2022. If a taxpayer has any depreciation differences due to the items mentioned below, he or she should add back the Federal Depreciation on Form 500, Schedule 1, other additions line. Then recompute the depreciation using the assumptions below. Subtract this Georgia depreciation on Form 500, Schedule 1, other subtractions line.

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**Assets Placed in Service during Tax Years Beginning on or after January 1, 2008.** Georgia's I.R.C. Section 179 deduction is **\$250,000 for 2008 through 2013, \$500,000 for 2014 through 2016, \$510,000 for 2017, \$1,000,000 for 2018, \$1,020,000 for 2019, \$1,040,000 for 2020, \$1,050,000 for 2021, and \$1,080,000 for 2022.** The related phase out is **\$800,000 for 2008 through 2013, \$2,000,000 for 2014 through 2015, \$2,010,000 for 2016, \$2,030,000 for 2017, \$2,500,000 for 2018, \$2,550,000 for 2019, \$2,590,000 for 2020, \$2,620,000 for 2021, and \$2,700,000 for 2022.** Georgia has not adopted the Section 179 deduction for certain real property.

Georgia has not adopted the following depreciation provisions:

- The 30%, 50% and 100% bonus depreciation rules of I.R.C. Section 168(k).
- New York Liberty Zone Benefits, I.R.C. Section 1400L.
- 50% first year depreciation for post 8/28/2006 Gulf Opportunity Zone property, I.R.C. Section 1400N(d)(1).
- 50% bonus depreciation for most tangible property and computer software bought after May 4, 2007 and placed in service in the Kansas Disaster Area, I.R.C. Section 1400N(d)(1).
- 50% bonus depreciation for "qualified reuse and recycling property", I.R.C. Section 168(m).
- 50% bonus depreciation in connection with disasters federally declared after 2007, I.R.C. Section 168(n).
- Increased (\$8,000) first-year depreciation limit for passenger automobiles if the passenger automobile is "qualified property", I.R.C. Section 168(k).
- For assets placed in service on or before December 31, 2017, 15 year straight-line cost recovery period for certain improvements to retail space, I.R.C. Sections 168(e)(3)(E)(ix), 168(e)(8), and 168(b)(3)(I).
- For assets placed in service on or before December 31, 2017, modified rules relating to the 15 year straight-line cost recovery for qualified restaurant property (allowing buildings to now be included), I.R.C. Section 168(e)(7).
- 5 year depreciation life for most new farming machinery and equipment, I.R.C. Section 168(e)(3)(B)(vii).
- Temporary tax relief provisions relating to the Midwestern disaster area, I.R.C. Sections 1400N(f).

**Assets Placed in Service during Tax Years Beginning on or after January 1, 2005 and before January 1, 2008.** For tax years beginning on or after January 1, 2005 and before January 1, 2008, Georgia did adopt the increased I.R.C. Section 179 deduction amounts and the related phase outs that were enacted as part of Federal Acts passed on or before January 1, 2008. As such, for assets placed in service during 2005 through 2007, the only Georgia depreciation differences are due to I.R.C. Section 168(k) (30% and 50% bonus depreciation), I.R.C. Section 1400L (tax benefits for the New York Liberty Zone), and I.R.C. Section 1400(d)(1) (post 8/28/2006 Gulf Opportunity Zone (GOZ) property).

**Assets Placed in Service during Tax Years Beginning before January 1, 2005.** For tax years beginning before January 1, 2005, Georgia did not adopt I.R.C. Section 168(k) (30% and 50% bonus depreciation), Section 1400L (tax benefits for the New York Liberty Zone), and I.R.C. 1400N(d)(1) (post 8/28/2006 Gulf Opportunity Zone (GOZ) property). Further, Georgia treated I.R.C. Section 179(b) as it was in effect before enactment of the Jobs and Growth Tax Relief Reconciliation Act of 2003. As such, Georgia continued to use a \$25,000 limit for the Section 179 deduction and a \$200,000 limit for the phase out of the Section 179 deduction. Assets placed in service during tax years beginning before January 1, 2005, should continue to be depreciated using the assumption that the bonus depreciation was not allowed and a lower Section 179 amount was used.