

# ***The Tax Review* Repairs vs. Improvements**

## **Learning Objectives / Table of Contents**

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### **Chapter**

#### **1 Repairs**

- 1-A** Recognize repairs deductible as a current expense.
- 1-B** Identify a unit of property under the final regulations.
- 1-C** Apply the election to capitalize repair and maintenance costs.
- 1-D** Identify deductible material and supply costs.
- 1-E** Determine when rotatable, temporary, and standby emergency spare parts are deductible.

#### **2 Improvements**

- 2-A** Identify acquisition costs that must be capitalized.
- 2-B** Associate improvement costs to a unit of property.
- 2-C** Determine if an improvement is a betterment.
- 2-D** Determine if an improvement is a restoration.
- 2-E** Determine if an improvement is an adaptation.

#### **3 Safe Harbors**

- 3-A** Identify eligibility requirements to elect the de minimis safe harbor.
- 3-B** Identify eligibility requirements for the small taxpayer safe harbor.
- 3-C** Recognize allowable expenses for the routine maintenance safe harbor.
- 3-D** Identify the circumstances when a change in accounting method (Form 3115) needs to be filed for tax years beginning on or after January 1, 2014.
- 3-E** Recognize the qualifications of the simplified procedure for a change in accounting for small business taxpayers for the tax year beginning on or after January 1, 2014.

#### **4 Dispositions**

- 4-A** Recognize when a disposition transaction occurs.
- 4-B** Define an asset for disposition purposes.
- 4-C** Determine the qualifications for the partial disposition election.
- 4-D** Identify certain partial dispositions that are required to be recognized without an election.
- 4-E** Identify a qualifying disposition for assets in a General Asset Account (GAA).