



# TaxNewsFlash

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## KPMG report: Relief for taxpayers to correct, change QIP depreciation methods (Rev. Proc. 2020-25)

Rev. Proc. 2020-25 provides relief for taxpayers to correct QIP depreciation methods and to retroactively make, revoke or withdraw certain depreciation elections related to the CARES Act technical correction of section 168.

The IRS on April 17, 2020, issued Rev. Proc. 2020-25 providing taxpayers the ability to amend tax returns and file accounting method changes to correct prior depreciation methods of so-called "qualified improvement property" placed in service after 2017. The revenue procedure also provides taxpayers a broader opportunity to retroactively make, revoke or withdraw certain elections with respect to all classes of tangible depreciable property under section 168 on returns filed prior to April 18, 2020.

"Qualified improvement property" (QIP) generally is any improvement made by the taxpayer to the interior of a nonresidential building that is placed in service after the building's initial placed in service date. It does not include improvements related to elevators, escalators, building additions, or a building's internal structural framework.

Read an [April 2020 report](#) [PDF 274 KB] prepared by KPMG LLP that discusses the relief provided by Rev. Proc. 2020-25

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