

# Log in new tax break for computers



A little-noticed provision in the Tax Cuts and Jobs Act (TCJA) could make your life a whole lot simpler.

**Strategy:** Buy a new computer and related gear for business use. Thanks to the new tax law change that has flown under the radar, you no longer have to keep detailed records when you use one of these devices.

It all has to do with the tax law definition of “listed property” used for business purposes.

*Here’s the whole story:* Generally, you must keep adequate records and corroborating evidence to claim depreciation deductions for business assets characterized as listed property. This means that you must essentially account for every time the property is used for business. The same requirement applies to deductions for listed property claimed under Section 179.

The items treated by the IRS as listed property are those that can readily be used for both business and tax purposes, including passenger vehicles, other property used as a means of transportation and property used for entertainment, recreation or amusement. Previously, computers and peripheral equipment—like printers and scanners—were also considered to be listed property.

**New law change:** The TCJA removes computers and peripheral equipment from the listed property category. So you no longer have to keep logs to record your business use of computers and related gear to claim tax depreciation deductions. The TCJA change is generally effective for eligible property placed in service after 2017.

Note that computers and peripheral equipment were already exempted from the strict substantiation rules if the property was located at a “regular business establishment” like your company office or a home office that’s your principal place of business if you’re self-employed. But busy corporate business owners who used computers at home or worked on their laptops when they were away from home still had to comply.

In addition, depreciation deductions for listed property are slowed down if your business use for the year is 50% or less of your total use. The TCJA also eliminates this potential tax obstacle for computers and peripheral equipment.

Of course, the listed property rules can still cause tax headaches for business people, especially those who use their vehicles for business driving.

**Tip:** At least the TCJA increases the write-offs allowed for “luxury cars” ([SBTS April 2018](#)).