

Legal Division Guidance 2010-11-01

(Federal Conformity – IRC section 179 – "Off-the-shelf" Computer Software)

Q: Did California conform in SB 401 to the IRC section 179 deduction applicable to "off-the-shelf" computer software?

A: No. Section 21 and section 69 of SB 401 amend Revenue and Taxation Code section 17255(f) and section 24356(b), respectively, to provide that IRC section 179(d)(1)(A)(ii), which makes "off-the-shelf" computer software Section 179 property, shall not apply.