



KBKG TAX INSIGHT: ILLINOIS DECOUPLES FROM BONUS DEPRECIATION FOR 2021 TAX YEAR AND FORWARD

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Illinois officially decouples from federal bonus depreciation for tax years ending on or after December 31, 2021.

Back on June 17, 2021, Governor J.B. Pritzker signed into law SB2017, the state's FY 2022 budget legislation. Among many other noteworthy items within that piece of legislation, Illinois officially decouples from federal bonus depreciation for tax years **ending on or after December 31, 2021**. Historically, the State of Illinois has decoupled from bonus depreciation in years where the federal bonus depreciation rates were not 100%.

KBKG INSIGHT:

A cost segregation study can help recoup some of the tax deduction loss that the mid-year change in bonus applicability created.

Cost segregation is a commonly used strategic tax planning tool that allows taxpayers who have constructed, purchased, expanded or remodeled any kind of real estate to increase

KBKG SERVICES

- Research & Development Tax Credit
- Cost Segregation
- Repair vs. Capitalization Review
- Fixed Asset Review
- 45L Credits for Energy Efficient Residential Developments
- 179D Incentive for Energy Efficient Commercial Buildings
- Transfer Pricing
- IC-DISC
- Employee Retention Tax Credits

cash flow by accelerating deductions related to specific components of the property. Our [Midwest](#) team is here to help qualify and quantify your opportunity.

[» View the entire SB2017](#)

ACTION STEPS:

To find out how a Cost Segregation Study will benefit you, visit: KBKG.com/costsegregation/calculator

About the Author



**Lester Cook, CCSP –
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[Midwest](#)

Lester has over 20 years of experience in the tax specialty service industry. He is a Principal and leads KBKG's [Fixed Asset Review](#)

[Practice](#) from our [Chicago, IL office](#). Throughout his career, Lester has completed cost segregation analyses on thousands of properties ranging from office space leasehold improvements to multi-billion dollar industrial complexes. [» Full Bio](#)

