

## **ET-3 - Federal Section 179 Depreciation is Deducted for Excise Tax**

*This article is for informational purposes only.*

Internal Revenue Code (IRC) Section 179 depreciation expense may be deducted for Tennessee excise tax purposes to the same extent that it was deducted on the corresponding federal income tax return. See also the tax article on IRC § 168 "bonus depreciation." In summary, Tennessee is "coupled" with the IRS § 179 provisions and is "decoupled" with the IRS bonus depreciation provisions.