

Asset Keeper Pro - Calculate / Short Year Depreciation

Calculate Short Year Depreciation

To calculate depreciation for a short year, select the Short Year Depreciation option located under the Calculate menu.

Specify whether this is the first fiscal period for the selected client. The start date of the short year cannot be changed if this is not the first fiscal period for your company,

Specify the short year start and year-end dates.

Next, select which calculations you want to apply to each of your methods. You have the option of applying tax rules, using GAAP (Generally Accepted Accounting Principles) rules, or not calculating at all.

Click the Next button.

ABC Computer Consultants, LLC - December 31, 2014 - Calculate Short Year Depreciation - Step 1 of 4

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First Fiscal Period

Is this short year the company's first fiscal period? ☐ Yes, this is the first fiscal period ☒ No, this is not the first fiscal period

Short Year Dates

Short Year Start Date 01/01/2014 The start date cannot be changed because this is not the first fiscal period for the company.

Short Year-End Date 12/31/2014

Calculations to Apply

Short year depreciation can be calculated using tax rules established by IRS or using GAAP rules established by the FASB.

Method	Use Tax Rules	Use GAAP Rules	Do Not Calculate
FEDERAL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ALT MIN TAX	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ACE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BOOK	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
STATE (IA)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

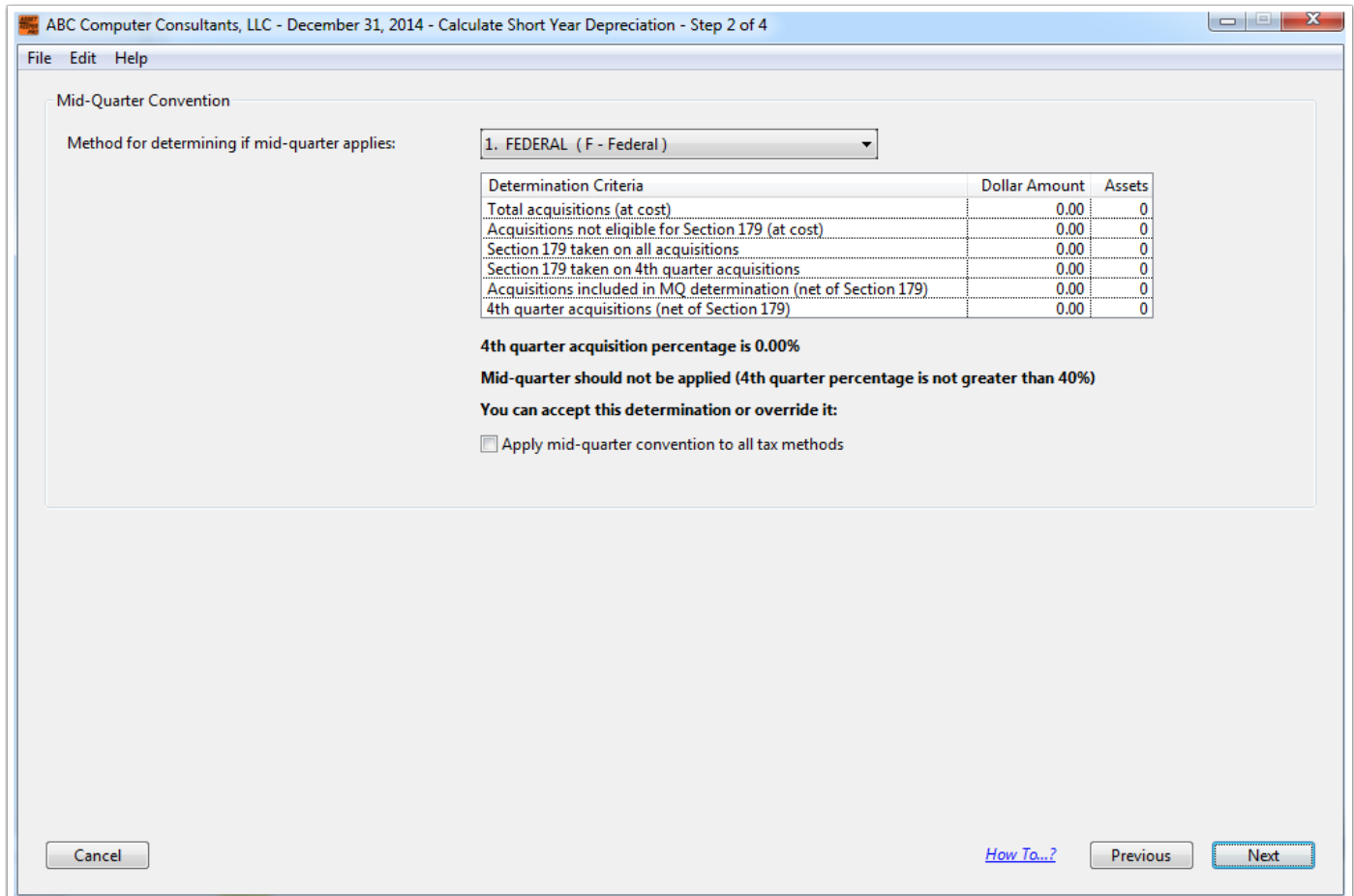
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Calculate Short Year Depreciation - Step 2 of 4

You can now select which method to use for determining if the mid-quarter convention applies.

You have the option of accepting Asset Keeper Pro's mid-quarter determination or overriding it and applying MQ for all tax methods.

Click the Next button.



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Mid-Quarter Convention

Method for determining if mid-quarter applies: 1. FEDERAL (F - Federal)

Determination Criteria	Dollar Amount	Assets
Total acquisitions (at cost)	0.00	0
Acquisitions not eligible for Section 179 (at cost)	0.00	0
Section 179 taken on all acquisitions	0.00	0
Section 179 taken on 4th quarter acquisitions	0.00	0
Acquisitions included in MQ determination (net of Section 179)	0.00	0
4th quarter acquisitions (net of Section 179)	0.00	0

4th quarter acquisition percentage is 0.00%

Mid-quarter should not be applied (4th quarter percentage is not greater than 40%)

You can accept this determination or override it:

☐ Apply mid-quarter convention to all tax methods

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Calculate Short Year Depreciation - Step 3 of 4

On Step 3 of 4 you will find an overview of the options you selected for the short year calculation. The start and end dates are displayed, as well as the dates governing the months that the assets are deemed placed in service baswed on the inclusive dates of the short period. the short year.

A list of the functions performed in Asset Keeper Pro during the short year calculation is displayed. The program calculates annual depreciation, prorates current depreciation for the short period, and then calculates next year's depreciation.

Click the Next button.

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Short Year Overview

Short Year Date

Start Date	End Date
01/01/2014	12/31/2014

New Acquisitions (Personal Property)

Convention	Start Date	End Date	Mid-Point	Placed in Service	Months in Use
Half-Year	01/01/2014	12/31/2014	07/02/2014	07/02/2014	6.0

Assets Acquired in Prior Years

Months in Use
12.0

Other Assets

Current year disposed assets, traded assets, and real property acquisitions will have depreciation adjusted based on the short year-end date.

Short Year Calculation Procedures

Short Year Calculation for All Methods

1. Annual depreciation will be calculated.
2. Depreciation will be adjusted based on tax or GAAP rules.
3. Next year's depreciation will be calculated.

Short Year Calculation for GAAP Rules Methods

Depreciation will be pro-rated based on 12.0 months in the short period.

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Calculate Short Year Depreciation - Step 4 of 4

A list of your assets and the calculation for a full year and the short year is displayed.

At this point you can view a Pre-Calculation Report if you like.

When the Apply button is clicked you will be asked to verify that you want to apply the short year calculation. A Summary Report can also be printed.

ABC Computer Consultants, LLC - December 31, 2014 - Calculate Short Year Depreciation - Step 4 of 4

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FEDERAL ALT MIN TAX ACE BOOK STATE (IA)

Method Start Date End Date Calculation Search

FEDERAL 01/01/2014 12/31/2014 Tax Rules

Asset A/C#	Description #1	Acquired	Status	Meth/Conv	Life	Cost	Basis	Curr Depr (Full)	Curr Depr (Short)
100	Land - 6835 South 173 Street	01/01/04	A	LAND/NO	99.0	135,000.00	135,000.00	0.00	0.00
100	Land - 2212 South 132 Street	06/01/96	A	LAND/NO	99.0	125,000.00	125,000.00	0.00	0.00
110	Building - 6835 South 173 Street	01/01/04	A	MACRS/MM	39.0	968,000.00	968,000.00	24,820.51	24,820.51
110	Building - 2212 South 132 Street	02/01/96	A	AMORT/FM	66.0	875,125.00	875,125.00	13,259.47	13,259.47
120	GMC Envoy 2008	04/30/08	A	MA200/HY	7.0	31,500.00	28,340.00	1,775.00	1,775.00
120	2004 Lexus RX330	07/01/07	A	MA200/HY	5.0	42,655.65	42,655.65	1,775.00	1,775.00
130	[LKA000001] Acquired Asset Descr...	12/31/09	A	MA200/HY	7.0	1,731.78	1,731.78	77.28	77.28
130	Conference Table	01/01/08	A	MA200/HY	7.0	1,198.00	1,198.00	53.46	53.46
130	5 Computer Desks	06/01/06	A	MA200/HY	7.0	7,875.00	7,875.00	0.00	0.00
130	3 desks / 5 chairs	06/01/04	A	MA200/HY	7.0	14,500.00	14,500.00	0.00	0.00
140	[LKA000002] Acquired Asset Descr...	12/31/09	A	MA200/HY	5.0	0.00	0.00	0.00	0.00
140	3 Compaq Laptops nc6000	06/15/04	A	MA200/HY	5.0	7,628.00	7,628.00	0.00	0.00
140	1-Thinkpad computer	06/01/97	A	MA200/HY	5.0	2,575.00	2,575.00	0.00	0.00
140	HP Laserjet Printer	06/01/97	A	MA200/HY	5.0	1,450.00	1,450.00	0.00	0.00

Total Assets	Total Cost	Total Basis	Total Depr (Full)	Total Depr (Short)
14	2,214,238.43	2,211,078.43	41,760.72	41,760.72

Pre-Calculation Report

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