

TaxNewsFlash

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Notice 2026-11: Interim guidance on permanent 100% additional first-year depreciation deduction under section 168(k), as reinstated by OBBBA

The IRS today released [Notice 2026-11](#), providing interim guidance on the permanent 100% additional first-year depreciation deduction under section 168(k) for eligible depreciable property acquired and placed in service after January 19, 2025, as reinstated by Pub. L. No. 119-21 (known as the “One Big Beautiful Bill Act” (OBBBA)).

- Section 3 addresses the determination of whether property is eligible for the additional first-year depreciation deduction under section 168(k) and the amount of such deduction.
- Section 4 addresses the elections under sections 168(k)(5) and (10) (i.e., elections relating to specified plants, and to apply a 40% additional first-year depreciation deduction (60% for certain property having longer production periods or certain aircraft) instead of the 100% additional first-year depreciation deduction for qualified property placed in service during the first tax year ending after January 19, 2025).
- Section 5 addresses the addition of qualified sound recording productions to qualified property under section 168(k)(2) for productions commencing in tax years ending after July 4, 2025.

The notice generally provides that taxpayers should rely on the acquisition date rules in the section 168(k) regulations finalized after the enactment of Pub. L. No. 115-27 (known as the “Tax Cuts and Jobs Act” (TCJA)), including in determining whether property is acquired or constructed under a written binding contract. The notice also confirms that taxpayers may elect to treat certain components of constructed property as eligible for the 100% additional first-year depreciation deduction even if the larger constructed property does not meet the acquisition date requirement.

Notice 2026-11 states that the Treasury Department and IRS intend to issue proposed regulations consistent with the guidance provided in the notice that will be proposed to apply to property that is placed in service in a tax year beginning on or after the date the regulations are finalized. Nonetheless, taxpayers may rely on the interim guidance in the notice for property placed in service in a tax year beginning before the date the proposed regulations are published in the Federal Register, provided that the taxpayer follows the guidance in its entirety for all eligible property placed in service in such tax years.

Read the related IRS release—[IR-2026-06](#) (January 14, 2026)

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