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**From:**

**Sent:** Wed 3/18/2009 9:57 AM

**To:**

**Cc:**

**Subject:** RE: 280B

That is correct. I can give you background if you would like, but that is the bottom line - both the remaining basis in the building and the cost of demolition are "treated as properly chargeable to capital account with respect to the land on which the demolished structure was located". As land is not depreciable, these costs are only recoverable as an offset against proceeds from the sale of the land.