



Process Documentation

Department:

Customer Support

Last Updated:

4/2/2025 10:53 AM

NAME OF PROCESS

Running Tax Depreciation [Roleplay]

Use Case / Objectives

This guide will walk you through how to calculate and post monthly or yearly depreciation for equipment. You can run a report first to ensure that all information is correct before you run the update process. For audit purposes, it is recommended that you keep a copy of the report that is produced during the update process.

NOTE: This method is used when you do not want to impact the General Ledger, and you want to reduce your taxable income by depreciating assets more quickly.

Configuration, Training, and Reporting

This document assumes you know how to perform basic Search functionality to find information in the system (i.e., F4 search). The steps for this are not included within this document.

Field definitions for applicable tasks are available in the Reference Glossary. To view these definitions either click on the screen name in the task or scroll to the end of the documentation to view the Glossary.

Menu options to access:

General Ledger => Run Monthly Depreciation

Reporting

Tax Depreciation Report

Running Tax Depreciation

Run the Monthly Tax Depreciation Report

For equipment to be depreciated, it must be set up with the following:

- Date in rental
- Acquisition cost
- Depreciation life
- Depreciation method

These are found on the **Equipment Maintenance** and **Equipment Maintenance - Cost (F2)** screens.

3/26/25 10:23:15 Equipment Maintenance

Equipment #: _____ Alternate equip #: _____ Converted From #: _____
 Cat/class/sub: _____
 Current status: AVAILABLE RENTAL
 Make: _____ Model: _____ Model year: 25 Crfg: _____
 Serial #: _____ Tax Products: _____
 Equip link: _____
 Tax rental: (Y/N) Tax sales (Y/N): G/L typ: Mtrl cd:
 Assigned loc: DMO Current loc: _____ Last loc: _____ Yard: _____
 Date acquired: 3/26/25 Vendor acqrd: _____ P.O. #: _____
Date in rental: _____ Warranty date: _____ Last trns date: _____ Weight: _____
 M/Hr code: (N/H/U) Curr MI/Hr: _____ Old MI/Hr: _____ Condition: _____
 MI/Hr code 2: (N/H/U) Curr MI/Hr 2: _____ Old MI/Hr 2: _____ Application:
 Split rent code: Permanent transfer: _____ Off road: Key#: _____
 Regular Low High Special Cur
 Sell price: _____ For sale: Nm Lst: _____
 Sold amount: _____ Disp dt: _____
 Last maint date: _____ Comment: _____ Heading 1 JM
 Date in shop: _____ Put in shop by: _____ ding 2 JM
 Last service: _____ Service contract: ding 3
 Misc: _____ Offsite: _____

3/26/25 10:25:02 Equipment Maintenance Screen 2
 Base Currency: USD

Equipment #: _____ Alt eqp#: _____
 Cat/class/sub: _____
 Fully depreciated:
Acquisition cost: _____ Max Bill %: _____
 Original cost: _____ Book value: _____
 Salvage value: _____ Replacement value: _____
 Payoff amount: _____ Actual cash value: _____
 Sales tax paid: _____ Interest: _____
 Note: _____ Sales tax collected: _____
 N/P invoice#: _____ Freight paid: _____
 A/P reference: _____ **Depreciation life:** _____
 _____ **Depreciation method:** _____
 DEPR % (Type P):
 Depreciation: _____ MTD _____ YTD _____ LTD
 _____ YTD _____ LTD _____ LYR
 # of days on rent: _____
 Maintenance-parts: _____
 Maintenance-labor: _____
 Assigned item #: _____ Stock class: _____

If the equipment has a salvage value, it will be used in the calculations, but the salvage value is not required.

Before the system performs calculations, it determines which assets have reached or exceeded their depreciable life by subtracting the date an asset was put into rental from the date through which the asset is to be depreciated. If an asset has exceeded its depreciable life, the system checks whether it has been fully depreciated by subtracting the asset's life-to-date depreciation from its depreciable basis (acquisition cost - salvage value). If the asset has not been fully depreciated, the remaining depreciation is forced into the current month's depreciation.

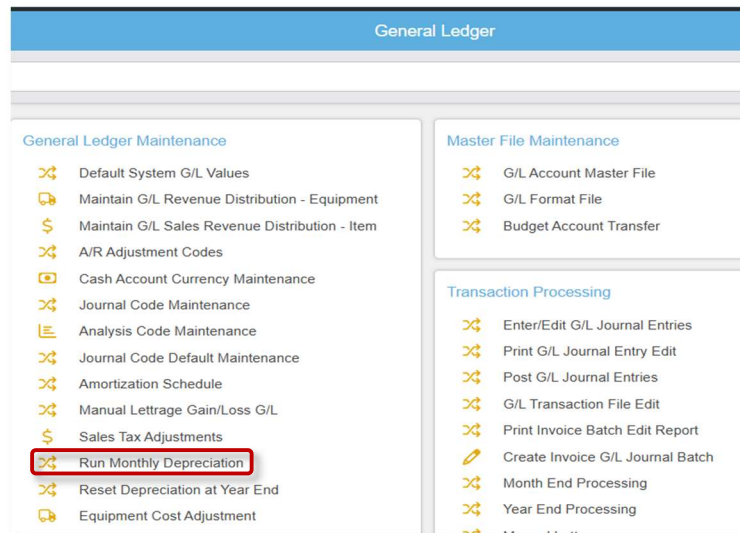
The actual cash value of an asset is used in the depreciation calculations if the Use EMACV\$ to calc book field is set to Y in control record **RAEQM3**.

The Use assigned location setting in control record **RAEDP1** determines the location to use for asset depreciation purposes. The setting also determines which location to use when retrieving the G/L account for Rental Equipment Depreciation.

If an asset was recapitalized after its depreciable life, the system takes the newly calculated depreciable basis (acquisition cost + recapitalization amounts - salvage value) and divides by the number of depreciable months until its life-to-date depreciation is met.

Process Steps

1. Log into the [Roleplay Environment](#) using your credentials.
2. If the **General Ledger** screen does not appear automatically, select General Ledger from the left toolbar.
3. In the **General Ledger Maintenance** section, click the **Run Monthly Depreciation** option.



- a. The **Run Monthly Depreciation** screen opens.

```

3/24/25 12:23:51          Run Monthly Depreciation          Sys: DEMO V12
                                                                Cmp: RM Loc: DMO

Enter The Period Ending Date: 
Run live:                      (Y/N)
Save report as file:           .DP will be appended
                               in library: 
Enter Cat/Class From . . . :  To: 
Inc/Exc/Only Uninvoiced . . :  (I,E,0)
Equipment Type . . . . . :  (" ",R,0)

Calculate Book Depreciation: 
Calculate TAX Depreciation:   (Y/N)  Calculate TX4 Depreciation:  (Y/N)
Calculate AMT Depreciation:   (Y/N)  Calculate TX5 Depreciation:  (Y/N)

Book depreciation last run on 1/23/25 for period ending 1/31/25 by W6067JL
TAX depreciation last run on 3/08/23 for period ending 2/28/23 by W6067JL
AMT depreciation last run on 3/15/08 for period ending 1/31/08 by MSABL
TX4 depreciation last run on 3/15/08 for period ending 1/31/08 by MSABL
TX5 depreciation last run on 3/15/08 for period ending 1/31/08 by MSABL
    
```

4. Type in the **Period Ending Date**.
5. In the **Run Live** field, type **Y** to run calculations and update files or type **N** to run calculations without updating files.
6. If desired, type a file name in the **Save report as file** field and type the location where you want to save the file in the **library** field.

7. If you want to run the report for a specific category/class of equipment, type in the *Enter Cat/Class range* fields; otherwise, leave them as is to run the report for all categories/classes.
8. To include all assets, leave the *Inc/Exc/Only Uninvoiced* field set to *I*. Otherwise, update the field accordingly.
9. To include all equipment types, leave the *Equipment Type* field blank. Otherwise, type *R* for rental equipment or *O* for owned equipment.
10. For this article, we are only going to run Tax Depreciation; therefore, type *Y* in the *Calculate Tax Depreciation* field and leave the remaining fields set to *N*.
 - a. The screen shot below shows the values entered for the example report run for this article.

```
3/26/25 10:39:36          Run Monthly Depreciation          Sys: DEMO V12
                                                                Cmp: RM Loc: DM0

Enter The Period Ending Date: 12/31/24
Run live:                     N (Y/N)
Save report as file:          [ ] .DP will be appended
in library:                   [ ]
Enter Cat/Class From . . . : 0000000 To: 9999999
Inc/Exc/Only Uninvoiced . . : I (I,E,0)
Equipment Type . . . . . : [ ] (" ",R,0)

Calculate Book Depreciation:  N
Calculate TAX Depreciation:   Y (Y/N)  Calculate TX4 Depreciation:  N (Y/N)
Calculate AMT Depreciation:  N (Y/N)  Calculate TX5 Depreciation:  N (Y/N)

Book depreciation last run on 1/23/25 for period ending 1/31/25 by W6067JL
TAX depreciation last run on 3/08/23 for period ending 2/28/23 by W6067JL
AMT depreciation last run on 3/15/08 for period ending 1/31/08 by MSABL
TX4 depreciation last run on 3/15/08 for period ending 1/31/08 by MSABL
TX5 depreciation last run on 3/15/08 for period ending 1/31/08 by MSABL
```

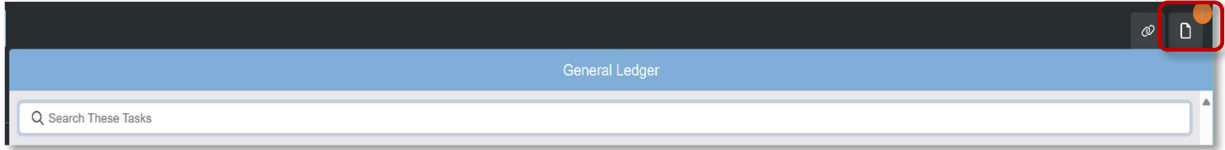
11. Press Enter.
12. Verify the information for the report; press Enter to run the report.
 - a. The **Submit job** pop-up window opens.

```
Printer/Outq: RM0001DA Copies: 1 Hold: N Save: N

Submit job. . . : N
```

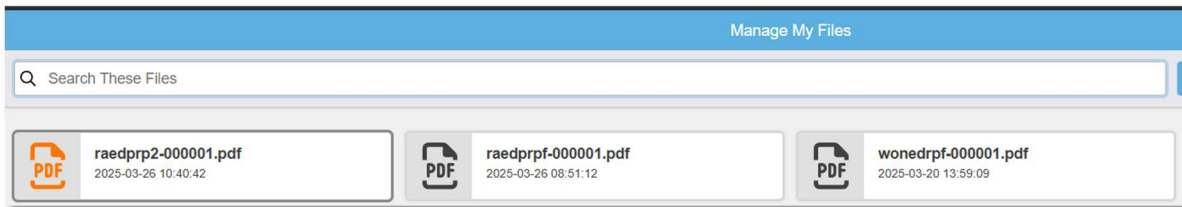
13. Press Enter.

- a. You will be returned to the **General Ledger** screen and the report generates. **NOTE:** The report is complete when the orange indicator displays by the **Manage My Files** icon.

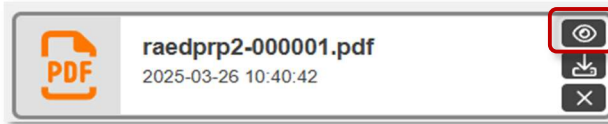


14. Click the Manage My Files icon.

- a. The **Manage My Files** screen opens and displays your files. **NOTE:** The files will be named after the control record of the screen it pulled from.



15. Click the Open icon next to the desired file.



- a. The **Monthly Depreciation Report - TAX** opens, displaying data for the criteria entered.

3/26/25 10:40:39
 System: DEMO V12
 Pgm Id: RAEDPR

WYNNIE SYSTEMS, LLC
 Monthly Depreciation Report - TAX - No File Update
 Depreciable Items - For Period Ending 12/31/24

Cmp: RM
 Loc: DM
 Page: 1

Equipment #	Model	Serial Number	Loc	Cap Date	Met Lif	Cost	Salvage Value	Depr Cost	Depr LTD	Depr YTD	Depr CURR	L.T. Date St
10- 100	CRAWLER DOZER 105-200 HP											
.23812738	D8	213012831209839	DMO	6/28/18	DDB 84	.00	.00	.00	.00	.00	.00	N
10240122C	D8	20240122C	DMO	1/22/24	DDB 84	.00	.00	.00	.00	.00	.00	A
10240122I	D8	20240122I	DMO	1/22/24	DDB 84	.00	.00	.00	.00	.00	.00	A
10240122S	D8	20240122S	DMO	1/26/24	DDB 84	.00	.00	.00	.00	.00	.00	6/25/24 A
88979	D6	FGG6546	DMO	8/01/15	DDB 84	.00	.00	.00	.00	.00	.00	** 2/15/17 N
1578	1150K WT	QWERTYUOP[;LKJHGF	DMO	1/27/14	DDB 84	.00	.00	.00	.00	.00	.00	** 8/06/19 A
1752	450F	6678309001	DMO	1/20/16	DDB 84	37500.00	.00	37500.00	37500.00	.00	.00	** 5/01/17 O
1803	123	CD10	DMO	12/15/16	DDB 84	1085.00	.00	1085.00	48.39	48.39	4.03	** 2/21/17 A
1868	8868	8868	DMO	5/22/18	DDB 84	37500.00	.00	37500.00	3348.75	3348.75	279.06	2/08/21 A
1869	8869	8869	DMO	5/22/18	DDB 84	37500.00	.00	37500.00	3348.75	3348.75	279.06	3/17/22 A
1870	8870	8870	DMO	5/22/18	DDB 84	37500.00	.00	37500.00	3348.75	3348.75	279.06	2/12/23 A
1154	D8	112301298388	DMO	6/03/22	DDB 84	.00	.00	.00	.00	.00	.00	2/22/23 A
1312	TRAIN4	TRAIN4	LGB	1/25/24	DDB 84	37500.00	.00	37500.00	5358.75	5358.75	446.56	A
1313	TRAINS	TRAINS	LGB	1/25/24	DDB 84	37500.00	.00	37500.00	5358.75	5358.75	446.56	A
1314	TRAIN6	TRAIN6	LGB	1/25/24	DDB 84	37500.00	.00	37500.00	5358.75	5358.75	446.56	11/20/24 U
* Category/Class Total * for 10- 100 CRAWLER DOZER 105-200 HP						263585.00	.00	263585.00	63670.89	26170.89	2180.89	
10- 200	MOTOR GRADERS											
.727	TG140	1232131	DMO	1/27/14	DDB 60	.00	.00	.00	.00	.00	.00	** A
1565	140B	1-3193-1	DMO	8/14/13	DDB 60	.00	.00	.00	.00	.00	.00	** 9/11/20 N
10- 700	BACKHOE TRACTOR											
.391279387	JD100	1238390128930182308	DMO	3/13/17	SDB 72	.00	.00	.00	.00	.00	.00	** 12/17/19 A
1067	4107	558181818	DMO	1/27/14	SDB 72	.00	.00	.00	.00	.00	.00	** 5/08/19 O

Reference Glossary

Field definitions for tasks

- **Run Monthly Depreciation Screen**
 - *Period Ending Date* - Enter the end date for the period/month for which you want to run depreciation. For example, 053124 for May 31, 2024.
 - *Run Live* - Enter **N** to run a report of depreciation calculations without updating files. Enter **Y** to run depreciation calculations and update the files at the same time.
 - *Save Report as File* - Enter the name to give to the file that holds the report produced from this program.
 - *In Library* - Enter the name of the library where you want to save the report file.
 - *From and To Category/Class* - Enter the IDs for the range of category/classes for which you want to run depreciation. If you want to run depreciation for all categories/classes, leave these fields set to 0000000 and 9999999.
 - *Include/Exclude/Only Uninvoiced* - Indicate whether to run depreciation for invoiced and uninvoiced assets (I-Include), invoiced only (E-Exclude), or uninvoiced only (O). If you select to include uninvoiced assets (those for which an A/P invoice has not yet been matched), the program creates an accrual batch for the depreciation of those assets. The setting of the *Fully Invoiced* field on the **Equipment Maintenance - Cost** screen determines whether an asset has been invoiced or not.
 - *Equipment Type* - Indicate whether to run depreciation only for Rental equipment (R) or only for Owned equipment (O). Leave the field blank to run depreciation for all equipment types.
 - *Calculate Book Depreciation* - Indicate whether to run book (accounting) depreciation.
 - *Calculate Tax Depreciation* - Indicate whether to run tax depreciation.
 - *Calculate AMT (Alternative Minimum Tax) Depreciation* - Indicate whether to run AMT depreciation.
 - *Calculate TX4 Depreciation* - Indicate whether to run TX4 depreciation.
 - *Calculate TX5 Depreciation* - Indicate whether to run TX5 depreciation.