



Field Directive on Asset Class and Depreciation for Casino Construction Costs

LMSB-04-0706-005

July 11, 2006

MEMORANDUM FOR INDUSTRY DIRECTORS, LMSB
DIRECTOR, FIELD SPECIALISTS, LMSB
DIRECTOR, PREFILING AND TECHNICAL GUIDANCE, LMSB
DIVISION COUNSEL, LMSB
DIRECTOR, COMPLIANCE, SBSE

FROM: JoAnn Bank /s/ JoAnn G. Bank
Acting Industry Director, Communications, Technology & Media

SUBJECT: Field Directive on Asset Class and Depreciation for Casino Construction Costs

INTRODUCTION

This memorandum is intended to provide direction to effectively utilize resources in the classification and examination of a taxpayer who is recovering construction costs through depreciation of tangible property used in connection with a hotel/casino property.

RECOMMENDATIONS

The matrix included in this document contains recommendations for the categorization and lives of various hotel/casino assets. If the taxpayer's tax return position for these assets is consistent with these recommendations, no adjustments should be made to categorizations and lives. If the taxpayer reports assets differently, then adjustments should be considered.

EFFECT ON OTHER GUIDANCE

This directive should be applied in the context of other applicable depreciation principles. For example, normal examination procedures should be followed to determine whether all appropriate costs, including IRC § 263A expenses, have been associated with a particular asset. Examiners are encouraged to exercise their professional judgment when developing and resolving factual issues.

This memorandum is not an official pronouncement of the law or the Service's position and cannot be used, cited, or relied upon as such.

CONTACTS

If you have any questions, please have a member of your staff contact Eric Lacher, Gaming Industry Technical Advisor, at (702) 868-5262 (Eric.A.Lacher2@irs.gov).

Attachments

cc: Commissioner, LMSB
Deputy Commissioner, LMSB
Director, Performance, Quality and Audit Assistance

LMSB Directive on Cost Segregation in the Gaming Industry

This matrix, which is part of the Cost Segregation Audit Techniques Guide, is intended to provide direction to effectively utilize resources in the classification and examination of property used in the operation of a casino/hotel property. General fact patterns specific to this industry have been considered in the classification of these assets and may not be applicable to other industries. Similarly, asset classification guidance issued for other industries is based on the general fact pattern for that industry and may not be applicable to a casino/hotel business situation. For example, for asset classification of restaurants located within a casino, refer to the industry directive for restaurants. For examination techniques and historical background related to this issue, refer to the Cost Segregation Audit Techniques Guide.

NOTE: In the case of certain leasehold improvement property, the classifications in this directive are superseded to the extent that the American Jobs Creation Act of 2004 modifies IRC Section 168. Thus, a 15-year straight line recovery period should replace the recovery period shown in the following matrix if the asset is "qualified leasehold improvement property" (as defined in IRC Section 168(e)(6)) placed in service by the taxpayer after 10/22/04 and before 1/1/06.

ASSET	DESCRIPTION	PROPERTY TYPE	RECOVERY PERIOD
Ceilings	Dropped or lowered ceilings with decorative finishes (such as ornamental polished gold and copper metal panels suspended from the finished ceiling or glued to soffits or lowered drywall ceiling systems). The suspension grids are hung by hanger wires from hooks or eyes set in the floor above or bottom of the roof, and attached to walls with nails or screws. Components such as lighting fixtures and air conditioning registers are placed on the grid. The ceilings conceal plumbing, wiring, sprinkler systems and air conditioning ducts. Includes grid systems where the actual building ceiling above the suspended ceiling can be seen. The actual building ceiling is generally painted a dark color so as to hide the various conduit, wires, and mechanical systems hanging from it.	§ 1250	39 years (40 years for purposes of § 168 (g))
Doors and Door Locks	Interior and exterior doors, regardless of decoration, including but not limited to, double opening doors, overhead doors, revolving doors, entrance security gates, roll-up or sliding wire mesh or steel grills and gates, and door hardware (such as doorknobs, closers, kick plates, hinges, locks, automatic openers, etc.). Includes hotel guest room computerized door locks. Includes encoders, computers, and other associated hardware of the computerized lock system.	§ 1250	39 years (40 years for purposes of § 168 (g))
	Special lightweight, double action doors installed to prevent accidents in a heavily trafficked area ("Eliason"-type door). For example, flexible doors, clear curtains, or strip curtains used between stock areas and selling areas.	§ 1245	5 years (57.0 Distributive Trades and Services)
ASSET	DESCRIPTION	PROPERTY TYPE	RECOVERY PERIOD
Electrical Hook-ups (includes duplex, fourplex, junction	Includes electrical outlets of general applicability and accessibility located in <i>Accounting and Administrative Offices, Ballrooms, "Back of House" areas, Pre-function areas, and Support areas</i> (such as shop areas,	§ 1250	39 years (40 years for purposes of §

box, conduit/wiring and allocation of panels)	engineering and construction offices). Includes but is not limited to outlets connected to copy machines, fax machines, personal computers, break rooms, coffee rooms, lounges, etc.		168 (g))
	Includes electrical outlets located in hotel guest rooms and guest bathrooms of general applicability and accessibility (includes bathroom GFI outlet).	§ 1250	39 years (40 years for purposes of § 168 (g))
	Includes electrical outlets specifically associated to particular items of machinery and equipment located in the Casino area. Includes ATM machines, slot machines, and other gaming related equipment. Also includes all electrical hook-ups associated with the activities described in Asset Class 79.0 of Rev. Proc. 87-56, 1987-2 CB 674, such as Theater and Showroom.	§ 1245	7 years (79.0 Recreation)
	Includes electrical outlets specifically associated to a particular item of machinery or equipment located in <i>Conference Rooms, Guest Rooms, Public Facility areas, Meeting Rooms, and Support Areas</i> , but not in the Casino/Theater area. Examples include equipment in Exercise rooms, ice machines, vending machines, audio visual equipment, televisions (and the riser conduit and wiring), garbage disposals, refrigerators, and workbenches.	§ 1245	5 years (57.0 Distributive Trades and Services)
Exit Signs	Signs posted along exit routes that indicate the direction of travel to the nearest exit. These signs typically read "EXIT" and may have distinctive colors, illumination, or arrows indicating the direction to the exit.	§ 1250	39 years (40 years for purposes of § 168 (g))
Facades - Exterior	Decorative exterior wall covering of the hotel/casino complex to help create the theme for the hotel/casino complex. Generally consists of a synthetic plaster, or stucco, that is cemented, or in some cases, bolted on in the form of a panel, to the frames of the exterior walls of the buildings.	§ 1250	39 years (40 years for purposes of § 168 (g))
ASSET	DESCRIPTION	PROPERTY TYPE	RECOVERY PERIOD
Facades - Interior	Interior Columns Includes finishes on interior columns that are affixed with permanent adhesive or nailed or screwed in place. Examples include marble tile, millwork and other coverings cemented, mudded, or grouted to the	§ 1250	39 years (40 years for purposes of § 168 (g))

		column.		
		Includes finishes on interior columns that are not permanently attached and not intended to be permanent. Located in the Casino area. Also includes interior columns associated with the activities described in Asset Class 79.0 of Rev. Proc. 87-56, such as Theater and Showroom.	§ 1245	7 years (79.0 Recreation)
		Includes finishes on interior columns that are not permanently attached and not intended to be permanent. Not located in the Casino/Theater area.	§ 1245	5 years (57.0 Distributive Trades and Services)
	False Balcony	Finishes generally made of millwork or wrought iron (forged balconies and gates) and located in the Casino area. Also includes false balconies associated with the activities described in Asset Class 79.0 of Rev. Proc. 87-56, such as Theater and Showroom.	§ 1245	7 years (79.0 Recreation)
		Finishes generally made of millwork or wrought iron (forged balconies and gates). Not located in the Casino/Theater area.	§ 1245	5 years (57.0 Distributive Trades and Services)
	Storefronts	Includes the framework, sheetrock, or any other component that comprises the framing of the storefront walls.	§ 1250	39 years (40 years for purposes of § 168 (g))
		Includes storefronts made primarily of synthetic materials (foam, fiberglass, cast stone, or glass reinforced concrete) that are affixed with permanent adhesive or nailed or screwed in place. Also includes costs relating to the exposed millwork, trim molding and lining around doors, windows, and baseboards. See also Wall Coverings and Millwork .	§ 1250	39 years (40 years for purposes of § 168 (g))
			PROPERTY TYPE	RECOVERY PERIOD
ASSET		DESCRIPTION		
Facades - Interior (continued)	Storefronts(continued)	Includes false storefronts made primarily of synthetic materials (foam, fiberglass, cast stone, or	§ 1245	7 years (79.0

		glass reinforced concrete) that are not permanently attached and not intended to be permanent. Located in the Casino area. Also includes storefronts associated with the activities described in Asset Class 79.0 of Rev. Proc. 87-56, such as Theater and Showroom.		Recreation)
		Includes false storefronts made primarily of synthetic materials (foam, fiberglass, cast stone, or glass reinforced concrete) that are not permanently attached and not intended to be permanent. Not located in the Casino/Theater area.	§ 1245	5 years (57.0 Distributive Trades and Services)
	Painted Ceilings	Includes painted ceilings applied with spray guns and brushes (regardless of theme or design).	§ 1250	39 years (40 years for purposes of § 168 (g))
		Includes <i>custom</i> painted ceilings designed on computers, transferred to canvases, and hand-painted with acrylics (fire-retardant materials).	§ 1250	39 years (40 years for purposes of § 168 (g))
		Includes painted ceilings designed on computers, transferred to canvases, and hand-painted with acrylics that are not permanently attached and not intended to be permanent and located in the Casino area. Also includes painted ceilings that are not permanently attached associated with the activities described in Asset Class 79.0 of Rev. Proc. 87-56, such as Theater and Showroom.	§ 1245	7 years (79.0 Recreation)
		Includes painted ceilings designed on computers, transferred to canvases, and hand-painted with acrylics that are not permanently attached and not intended to be permanent. Not located in the Casino/Theater area.	§ 1245	5 years (57.0 Distributive Trades and Services)
ASSET		DESCRIPTION	PROPERTY TYPE	RECOVERY PERIOD
Facades - Interior	Rockscape	Includes rock finishes made of synthetic materials (such as interior fountains containing	§ 1250	39 years

(continued)		waterproofed liners and molded rockscape features) and decorative stonework embedded in walls that are an integral part of a buildings structural shell. Includes non-load bearing rockscape and decorative stonework embedded in walls (regardless of height) that divide or create rooms or provide traffic control where the rockscape and stonework cannot be 1) readily removed and remain in substantially the same condition after removal as before, or 2) moved and reused, stored or sold in its entirety.		(40 years for purposes of § 168 (g))
		Includes rockscape and decorative stonework that do not function as part of the building and would be considered as non-structural theme elements that function merely as ornamentation.	§ 1245	5 years (57.0 Distributive Trades and Services)
Fire Protection & Alarm Systems	Includes sensing devices, computer controls, sprinkler heads, piping or plumbing, pumps, visual and audible alarms, alarm control panels, heat and smoke detection devices, fire escapes, fire doors, emergency exit lighting and signage, and wall mounted fire extinguishers necessary for the protection of the building.		§ 1250	39 years (40 years for purposes of § 168 (g))
Fire Protection Equipment	Includes special fire detection or suppression systems directly associated with a piece of equipment. For example a fire extinguisher designed and used for protection against a particular hazard created by the business activity.		§ 1245	5 years (57.0 Distributive Trades and Services)
Floor Covering	Includes floor covering that is affixed with permanent adhesive or nailed or screwed in place. Examples include ceramic or quarry tile, marble, paving brick, most vinyl coverings and other coverings cemented, mudded, or grouted to the floor; epoxy or sealers; and wood flooring.		§ 1250	39 years (40 years for purposes of § 168 (g))
	Includes floor covering that is not permanently attached and not intended to be permanent, such as vinyl composition tile (VCT) installed with strippable adhesive, sheet vinyl, and carpeting, and located in the Casino area. Also includes floor covering that is not permanently attached associated with the activities described in Asset Class 79.0 of Rev. Proc. 87-56, such as Theater and Showroom.		§ 1245	7 years (79.0 Recreation)
		PROPERTY	RECOVERY	
ASSET	DESCRIPTION	TYPE	PERIOD	
Floor Covering(continued)	Includes floor covering that is not permanently attached and not intended to be permanent, such as vinyl composition tile (VCT) installed with strippable adhesive, sheet vinyl, and carpeting, but not located in the Casino/Theater area.	§ 1245	5 years (57.0 Distributive Trades and Services)	

Floors	Includes concrete slabs and other floor systems. Floors include special treatments applied to or otherwise a permanent part of the floor. For example "super flat" finish, sloped drainage basins, raised perimeter, serving line curb, or cooler, freezer and garbage room floors.	§ 1250	39 years (40 years for purposes of § 168 (g))
Furniture -Guest Room	Includes furniture unique to guest rooms and distinguishable from office furniture. For example, beds, dressers, armoires, and night-tables. See also Furniture- Office.	§ 1245	5 years (57.0 Distributive Trades and Services)
Furniture -Office (includes Communication Equipment and Hook-ups)	Includes desk, chair, credenza, file cabinet, table (whether located in <i>Administrative Areas or Guest Rooms</i>) and other furniture such as workstations. Also includes communication equipment and related hook-ups.	§ 1245	7 years (00.11 Office Furniture and Fixtures)
Generators	Emergency power generators for building related operations (emergency/safety systems).	§ 1250	39 years (40 years for purposes of § 168 (g))
	Depreciable assets, whether such assets are section 1245 property or 1250 property, used in the production and/or distribution of electricity with rated total capacity in excess of 500 Kilowatts and/or assets used in the production and/or distribution of steam with rated total capacity in excess of 12,500 pounds per hour for use by the taxpayer in its industrial manufacturing process or plant activity and not ordinarily available for sale to others. Does not include buildings and structural components as defined in section 1.48-1(e) of the regulations. See Asset Class 00.4 (Rev. Proc. 87-56) . Note* asset class 00.4 includes both section 1245 and 1250 property per Rev. Proc. 87-56.	See Note*	15 years (00.4 Industrial Steam and Electric Generation and/or Distribution Systems)
	Emergency power generators for casino operations. (See Cost Segregation Audit Techniques Guide for allocation examples)	§ 1245	7 years (79.0 Recreation)
Kitchen Equipment Hook-ups	Encompasses the electrical distribution system of the kitchen. Refer to the industry directive for Restaurants - Kitchen Equipment Hook-up.	§ 1245	5 years (57.0 Distributive Trades and Services)
ASSET	DESCRIPTION	PROPERTY TYPE	RECOVERY PERIOD
Light Fixtures - Interior	Includes lighting such as recessed and lay-in lighting, night lighting, and exit lighting, as well as decorative lighting fixtures that provide substantially all the artificial illumination (<i>primary</i> source of lighting). Includes guest room lighting, wall sconces (bathroom, guest room, and hallway), hallway chandeliers, and all electrical connections associated with these fixtures, such as	§ 1250	39 years (40 years for purposes of § 168 (g))

	power junction boxes, riser conduit, and wiring.		
	Includes decorative light fixtures such as chandeliers, wall sconces, down lighting, neon lighting, column lights which are decorative in nature and not necessary for the operation of the building and located in the Casino area plus cost of all wiring and electrical connections associated with these fixtures. Also includes all decorative lighting fixtures associated with the activities described in Asset Class 79.0 of Rev. Proc. 87-56, such as Theater and Showroom.	§ 1245	7 years (79.0 Recreation)
	Includes decorative light fixtures, such as neon lights, table lamps, or track lighting, which are decorative in nature and not necessary for the operation of the building and not located in the Casino/Theater area. In other words, if the decorative lighting were turned off, the other sources of lighting would provide sufficient light for operation of the building. If the decorative lighting is the <i>primary</i> source of lighting, then it is section 1250 property.	§ 1245	5 years (57.0 Distributive Trades and Services)
Light Fixtures – Exterior	Exterior lighting (whether decorative or not) to the extent that the lighting relates to the maintenance or operation of the building. This category includes building mounted lighting to illuminate walkways, entrances, parking, etc.	§ 1250	39 years (40 years for purposes of § 168 (g))
	Pole mounted or freestanding outdoor lighting system to illuminate sidewalks, parking or recreation areas. See also Poles & Pylons . Note* asset class 00.3 Land improvements includes both section 1245 and 1250 property per Rev. Proc. 87-56.	See Note*	15 years (00.3 Land Improvement)
	Removable plant grow lights or removable lighting that highlights <i>only</i> the landscaping or building exterior (but not parking areas or walkways) and does not relate to the maintenance or operation of the building.	§ 1245	5 years (57.0 Distributive Trades and Services)
		PROPERTY	RECOVERY
ASSET	DESCRIPTION	TYPE	PERIOD
Loading Dock	Includes bumpers, permanently installed dock levelers, plates, seals, lights, canopies, and overhead doors used in the receiving and shipping of merchandise.	§ 1250	39 years (40 years for purposes of § 168 (g))
	Includes items such as compactors, conveyors, hoists and/or balers.	§ 1245	5 years (57.0 Distributive Trades and Services)

Millwork – General Building or Structural	Includes millwork that is made of finished wood for example, doors and frames, window frames, sashes, porch work, mantels, panel work, stairways, and special woodwork. Includes pre-built wooden items brought to the site for installation and items constructed on site such as restroom cabinets, door jambs, moldings, trim, etc.	§ 1250	39 years (40 years for purposes of § 168 (g))
	Corner Guards and Wall Guards (includes guards made of stainless steel, e.g., diamond plate)	§ 1250	39 years (40 years for purposes of § 168 (g))
Millwork - Decorative	Includes decorative finish carpentry in a Casino area. Examples include detailed crown moldings, lattice work placed over finished walls or ceilings, and cabinets. The decorative millwork serves to enhance the overall décor of the Casino area and is not related to the operation of the building. Cabinets and counters in a restroom are excluded from this category; see Restroom Accessories . Also includes decorative millwork associated with the activities described in Asset Class 79.0 of Rev. Proc. 87-56, such as Theater and Showroom.	§ 1245	7 years (79.0 Recreation)
	Includes decorative finish carpentry in the <i>hotel and retail</i> areas. Examples include detailed crown moldings, lattice work placed over finished walls or ceilings, and cabinets. The decorative millwork serves to enhance the overall décor of the hotel and retail areas and is not related to the operation of the building. Cabinets and counters in a restroom are excluded from this category; see Restroom Accessories .	§ 1245	5 years (57.0 Distributive Trades and Services)
Poles & Pylons	Light poles for parking areas and other poles poured in concrete footings or bolt-mounted for signage, flags, etc. Note* asset class 00.3 Land improvements includes both section 1245 and 1250 property per Rev. Proc. 87-56. See also Pylon Sign – Exterior and Light Fixtures – Exterior .	See Note*	15 years (00.3 Land Improvement)
ASSET	DESCRIPTION	PROPERTY TYPE	RECOVERY PERIOD
Pools & Pool Equipment	Includes swimming pools and pool equipment (and spas attached to the swimming pools) that are contained within, on, or attached to a building.	§ 1250	39 years (40 years for purposes of § 168 (g))
	Includes exterior swimming pools and pool equipment (and spas attached to the swimming pools) that are built on land. Note* asset class 00.3 Land improvements includes both section 1245 and 1250 property per Rev. Proc. 87-56.	See Note*	15 years (00.3 Land Improvement)

Pylon Sign - Exterior	Pylons made of concrete, brick, wood frame, stucco, or similar materials usually set in the ground or on a concrete foundation, and usually used for signage. Note* asset class 00.3 Land improvements includes both section 1245 and 1250 property per Rev. Proc. 87-56. See also Poles & Pylons	See Note*	15 years (00.3 Land Improvement)
	Includes only the sign face and/or message screen and related components.	§ 1245	5 years (57.0 Distributive Trades and Services)
Restroom Accessories	Includes paper towel dispensers, electric hand dryers, towel racks or holders, cup dispensers, purse shelves, toilet paper holders, soap dispensers or holders, lotion dispensers, sanitary napkin dispensers and waste receptacles, coat hooks, handrails, grab bars, mirrors, shelves, vanity cabinets, counters and ashtrays and other items generally found in public restrooms that are built into or mounted on walls or partitions.	§ 1250	39 years (40 years for purposes of § 168 (g))
Restroom Partitions	Includes shop made and standard manufacture toilet partitions, typically metal, but may be plastic or other materials.	§ 1250	39 years (40 years for purposes of § 168 (g))
Security Equipment	Includes security equipment for the protection of the building and its contents, including the building exterior and grounds, from theft or vandalism and protection of employees and guests from assault. Examples include security cameras, recorders, monitors and related equipment (including those located in the elevator and elevator lobbies); building exterior and interior motion detectors; security lighting; alarm systems; security systems and related junction boxes, wiring, and conduit).	§ 1250	39 years (40 years for purposes of § 168 (g))
		PROPERTY	RECOVERY
ASSET	DESCRIPTION	TYPE	PERIOD
Security Equipment(continued)	Includes surveillance cameras, recorders, monitors and related equipment, the primary purpose of which is to surveil gaming activities and to minimize theft in the Casino area. Also includes surveillance equipment associated with the activities described in Asset Class 79.0 of Rev. Proc. 87-56, such as Theater and Showroom.	§ 1245	7 years (79.0 Recreation)
	Includes electronic article surveillance systems including surveillance cameras, recorders, monitors and related equipment, the primary purpose of which is to minimize theft in the <i>retail</i> areas. Does not include the Casino/Theater area.	§ 1245	5 years (57.0 Distributive Trades and Services)

Signs	Exit signs, restroom identifiers, room numbers, and other signs relating to the operation or maintenance of a building. See also Exit Signs .	§ 1250	39 years (40 years for purposes of § 168 (g))
	Includes interior signs used to display gaming related activities such as keno, slots, video poker, etc. Also includes interior signs associated with the activities described in Asset Class 79.0 of Rev. Proc. 87-56, such as Theater and Showroom.	§ 1245	7 years (79.0 Recreation)
	Includes interior signs used to display directories of names or indicate the location of business functions and departments, (registration desk, buffet, retail shops, etc), but not associated with the Casino/Theater activities. Not related to the operation or maintenance of a building. Also includes exterior signs used to display names, symbols, directions, etc. For pylon signs, includes only the sign face and related dedicated wiring. See also Pylon Sign – Exterior .	§ 1245	5 years (57.0 Distributive Trades and Services)
Site Grading & Excavation	Nondepreciable land preparation costs, in general, include the one time cost of demolition, clearing and grubbing, blasting, site stripping, fill or excavation, dewatering, and grading to allow development of land. Clearing and grubbing is the removal of debris, brush, trees, etc. from the site. Stripping is the removal of the topsoil to provide a stable surface for site and building improvements. The grading of land involves moving soil for the purpose of producing a more level surface to allow development of the land. These costs would not have to be incurred again if the building was repaired, rebuilt, or even torn down and replaced with some other type of building.		Land
ASSET	DESCRIPTION	PROPERTY TYPE	RECOVERY PERIOD
Site Grading & Excavation(continued)	Clearing, grading, excavating and removal costs directly associated with the construction of buildings and building components are part of the cost of construction of the building and depreciated over the life of the building.	§ 1250	39 years (40 years for purposes of § 168 (g))
	Clearing, grading, excavating and removal costs directly associated with the construction of sidewalks, parking areas, roadways and other depreciable land improvements are part of the cost of construction of the improvements and depreciated over the life of the associated asset. Note* asset class 00.3 Land improvements includes both section 1245 and 1250 property per Rev. Proc. 87-56.	See Note*	15 years (00.3 Land Improvement)
Site Utilities	Systems that are used to distribute utility services from the property line to the casino complex. Includes water, sanitary sewers, gas and electrical services.	§ 1250	39 years (40 years for purposes of § 168 (g))

	Storm Piping (for draining the site of rainwater). Note* asset class 00.3 Land improvements includes both section 1245 and 1250 property per Rev. Proc. 87-56.	See Note*	15 years (00.3 Land Improvement)
Site Work	Site work includes curbing, paving, general site improvements, fencing, landscaping, roads, sewers, sidewalks, site drainage and all other site improvements not directly related to the building. Note* asset class 00.3 Land improvements includes both section 1245 and 1250 property per Rev. Proc. 87-56. See Site Utilities for sanitary sewers.	See Note*	15 years (00.3 Land Improvement)
Spa Hook-ups	Includes Jacuzzi, Whirlpools, and bathtubs located in Guest Rooms and Suites.	§ 1250	39 years (40 years for purposes of § 168 (g))
	Includes Jacuzzi and Whirlpools located in the <i>Hotel Spa/Fitness Center</i> . Does not include spa hook-ups that may be associated with swimming pools or pool equipment. See also Pools & Pool Equipment .	§ 1245	5 years (57.0 Distributive Trades and Services)
Wall Coverings	Includes interior and exterior paint; ceramic or quarry tile, marble, stone, brick and other finishes affixed with mortar, cement or grout; paneling, wainscoting and other wood finishes affixed with nails, screws or permanent adhesives; and sanitary kitchen wall panels such as fiberglass, stainless steel and plastic wall panels.	§ 1250	39 years (40 years for purposes of § 168 (g))
		PROPERTY	RECOVERY
ASSET	DESCRIPTION	TYPE	PERIOD
Wall Coverings(continued)	Includes strippable wall paper and vinyl that causes no damage to the underlying wall or wall surface and located in the Casino area. For purposes of this directive, such wallpaper is considered not permanently attached or intended to be permanent. Also includes strippable wall coverings associated with the activities described in Asset Class 79.0 of Rev. Proc. 87-56, such as Theater and Showroom.	§ 1245	7 years (79.0 Recreation)
	Includes strippable wall paper and vinyl that causes no damage to the underlying wall or wall surface and located in the <i>hotel and retail</i> areas. For purposes of this directive, such wallpaper is considered not permanently attached or intended to be permanent.	§ 1245	5 years (57.0 Distributive Trades and Services)