

**WAC 388-835-0520 What is the depreciation base of a donated or inherited asset?** (1) The depreciation base of donated and/or inherited assets is the lesser of:

(a) Fair market value at the date of donation or death, less goodwill. (Any estimated salvage value must be deducted from fair market value when either the straight-line or sum-of-the-years digits method of depreciation is used); or

(b) The historical cost of the last owner to contract with DSHS, if any.

(2) If the donation or distribution is between related organization, the base must be the lesser of:

(a) Fair market value, less goodwill and, where appropriate, salvage value, or

(b) The depreciation base the related organization used or would have used when contracting with DSHS.

[Statutory Authority: RCW 71A.20.140. WSR 01-10-013, § 388-835-0520, filed 4/20/01, effective 5/21/01.]