The State of South Carolina's Capitalization Thresholds

Assets with useful lives greater than one year and with capitalizable costs **exceeding** the applicable threshold below must be capitalized. Please refer to Exhibit 3.8(A) and the Glossary of the CGO's Reporting Policies and Procedures Manual for additional capitalization criteria and definitions for each capital asset class.

Unless otherwise noted, the below thresholds should be applied to individual items.

Capital Asset Class	Threshold Through 6/30/2026	Threshold Effective 7/1/2026
Land and Nondepreciable Land Improvements	$0 (all items capitalized)	$0 (all items capitalized)
Depreciable Land Improvements	$100,000	$100,000
Building and Building Improvements	$100,000	$100,000
Leasehold Improvements	$100,000	$100,000
Vehicles	$5,000	$5,000
Equipment	$5,000	$5,000
Works and Art and Historical Treasures	$5,000	$5,000
Nonamortizable Easements	$0 (all items capitalized)	$0 (all items capitalized)
Amortizable Easements	$100,000	$100,000
Nonamortizable Intellectual Property Rights	$0 (all items capitalized)	$0 (all items capitalized)
Amortizable Intellectual Property Rights	$100,000	$100,000
Software	$100,000	$100,000
Lease Land	$0 (all items capitalized)	$100,000 per lease agreement
Lease Buildings	$0 (all items capitalized)	$100,000 per lease agreement
Lease Equipment	$5,000 per individual item	$100,000 per lease agreement
Lease Vehicles	$5,000 per individual item	$100,000 per lease agreement
SBITAs	$100,000 per contract	$100,000 per contract

The State of South Carolina's Useful Lives for Depreciation/Amortization of Capital Assets

Capital Asset Class	Useful Life Through 6/30/2026	Useful Life Effective 7/1/2026
Land and Nondepreciable Land Improvements	N/A	N/A
Depreciable Land Improvements	3 – 60 years	3 – 60 years
Building and Building Improvements	5 – 50 years	5 – 50 years
Leasehold Improvements	Shorter of the useful life of the underlying asset (5 – 50 years) OR the remaining lease term	Shorter of the useful life of the underlying asset (5 – 50 years) OR the remaining lease term
Vehicles	3 – 20 years	3 – 20 years
Equipment	2 – 25 years	2 – 25 years
Works and Art and Historical Treasures	10 – 25 years	10 – 25 years
Nonamortizable Easements	N/A	N/A
Amortizable Easements	2 – 50 years	2 – 50 years
Nonamortizable Intellectual Property Rights	N/A	N/A
Amortizable Intellectual Property Rights	10 – 50 years	10 – 50 years
Software	3 years	3 – 7 years
Lease Land	Length of lease agreement	Length of lease agreement
Lease Buildings	Length of lease agreement	Length of lease agreement
Lease Equipment	Length of lease agreement	Length of lease agreement
Lease Vehicles	Length of lease agreement	Length of lease agreement
SBITAs	3 years	Length of the contract