

105TH CONGRESS
1ST SESSION

H. R. 1565

To amend the Internal Revenue Code of 1986 to increase the amount of depreciable business assets which may be expensed, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 8, 1997

Mr. ENGLISH of Pennsylvania (for himself, Mr. WATTS of Oklahoma, Mr. FOX of Pennsylvania, and Mr. GRAHAM) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to increase the amount of depreciable business assets which may be expensed, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. INCREASE IN EXPENSE TREATMENT FOR**
4 **SMALL BUSINESSES.**

5 (a) GENERAL RULE.—Paragraph (1) of section
6 179(b) of the Internal Revenue Code of 1986 (relating to
7 dollar limitation) is amended to read as follows:

1 “(1) DOLLAR LIMITATION.—The aggregate cost
2 which may be taken into account under subsection
3 (a) for any taxable year shall not exceed \$60,000.”

4 (b) INCREASE IN AMOUNT OF SECTION 179 PROP-
5 ERTY AT WHICH PHASEOUT BEGINS.—Paragraph (2) of
6 section 179(b) of such Code (relating to reduction in limi-
7 tation) is amended by striking “\$200,000” and inserting
8 “\$300,000”.

9 (c) INCREASE IN SECTION 280F LIMITATION ON
10 AUTOMOBILES WHICH ARE EXPENSED UNDER SECTION
11 179.—

12 (1) Paragraph (1) of section 280F(d) of such
13 Code is amended to read as follows:

14 “(1) COORDINATION WITH SECTION 179.—

15 “(A) IN GENERAL.—Except as provided in
16 subparagraph (B), any deduction allowable
17 under section 179 with respect to any listed
18 property shall be subject to the limitations of
19 subsections (a) and (b), and the limitation of
20 paragraph (3) of this subsection, in the same
21 manner as if it were a depreciation deduction
22 allowable under section 168.

23 “(B) SPECIAL RULE FOR AUTOMOBILES.—

24 In the case of any deduction allowable under
25 section 179 with respect to a passenger auto-

1 mobile, the limitation under subsection (a) for
2 the 1st taxable year of the recovery period shall
3 be increased by \$15,700.”

4 (2) Subparagraph (A) of section 280F(d)(7) of
5 such Code is amended—

6 (A) by striking “subsection (a)” and in-
7 serting “subsections (a) and (d)(1)(B)”, and

8 (B) by striking “such subsection” and in-
9 serting “such subsections”.

10 (3) Subclause (II) of section 280F(d)(7)(B)(i)
11 of such Code is amended by inserting “(October of
12 1996 in the case of the dollar amount contained in
13 subsection (d)(1)(B))” after “October of 1987”.

14 (d) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to property placed in service in
16 taxable years beginning after December 31, 1996.

○