

106TH CONGRESS
1ST SESSION

H. R. 1602

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

APRIL 28, 1999

Mr. ENGLISH 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:

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

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

6 (c) INCREASE IN SECTION 280F LIMITATION ON
7 AUTOMOBILES WHICH ARE EXPENSED UNDER SECTION
8 179.—

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

11 “(1) COORDINATION WITH SECTION 179.—

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

20 “(B) SPECIAL RULE FOR AUTOMOBILES.—

21 In the case of any deduction allowable under
22 section 179 with respect to a passenger auto-
23 mobile, the limitation under subsection (a) for
24 the 1st taxable year of the recovery period shall
25 be increased by \$15,700.”

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

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

5 (B) by striking “such subsection” and in-
6 serting “such subsections”.

7 (3) Subclause (II) of section 280F(d)(7)(B)(i)
8 of such Code is amended by inserting “(October of
9 1998 in the case of the dollar amount contained in
10 subsection (d)(1)(B))” after “October of 1987”.

11 (d) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to property placed in service in
13 taxable years beginning after December 31, 1998.

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