

106TH CONGRESS
1ST SESSION

H. R. 1991

To amend the Internal Revenue Code of 1986 to clarify that natural gas gathering lines are 7-year property for purposes of depreciation.

IN THE HOUSE OF REPRESENTATIVES

MAY 27, 1999

Mr. SAM JOHNSON of Texas (for himself, Mr. McCRERY, Mr. WATKINS, Mr. HOUGHTON, Mr. McINNIS, and Mr. CAMP) 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 clarify that natural gas gathering lines are 7-year property for purposes of depreciation.

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. NATURAL GAS GATHERING LINES TREATED AS**
4 **7-YEAR PROPERTY.**

5 (a) IN GENERAL.—Subparagraph (C) of section
6 168(e)(3) of the Internal Revenue Code of 1986 (relating
7 to classification of certain property) is amended by redes-
8 ignating clause (ii) as clause (iii) and by inserting after
9 clause (i) the following new clause:

1 “(ii) any natural gas gathering line,
2 and”.

3 (b) NATURAL GAS GATHERING LINE.—Subsection (i)
4 of section 168 of such Code is amended by adding at the
5 end the following new paragraph:

6 “(15) NATURAL GAS GATHERING LINE.—The
7 term ‘natural gas gathering line’ means—

8 “(A) the pipe, equipment, and appur-
9 tenances determined to be a gathering line by
10 the Federal Energy Regulatory Commission, or

11 “(B) the pipe, equipment, and appur-
12 tenances used to deliver natural gas from the
13 wellhead or a common point to the point at
14 which such gas first reaches—

15 “(i) a gas processing plant,

16 “(ii) an interconnection with a trans-
17 mission pipeline certificated by the Federal
18 Energy Regulatory Commission as an
19 interstate transmission pipeline,

20 “(iii) an interconnection with an
21 intrastate transmission pipeline, or

22 “(iv) a direct interconnection with a
23 local distribution company, a gas storage
24 facility, or an industrial consumer.”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to property placed in service be-
3 fore, on, or after the date of the enactment of this Act.

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