

106TH CONGRESS
2D SESSION

H. R. 3598

To amend the Internal Revenue Code of 1986 to allow a credit against income tax for businesses which provide free public Internet access.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 8, 2000

Mr. ROGAN 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 allow a credit against income tax for businesses which provide free public Internet access.

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. SHORT TITLE.**

4 This Act may be cited as the “National Free Public
5 Internet Access Act of 2000”.

1 **SEC. 2. CREDIT FOR BUSINESSES WHICH PROVIDE FREE**
2 **PUBLIC INTERNET ACCESS.**

3 (a) IN GENERAL.—Subpart D of part IV of sub-
4 chapter A of chapter 1 of the Internal Revenue Code of
5 1986 (relating to business related credits) is amended by
6 adding at the end the following new section:

7 **“SEC. 45D. CREDIT FOR BUSINESS-PROVIDED FREE PUBLIC**
8 **INTERNET ACCESS.**

9 “(a) IN GENERAL.—For purposes of section 38, the
10 free public Internet access credit determined under this
11 section for the taxable year is an amount equal to 100
12 percent of the Internet access expenditures of the taxpayer
13 for such taxable year.

14 “(b) DOLLAR LIMITATION.—

15 “(1) IN GENERAL.—The credit allowable under
16 subsection (a) for any taxable year shall not exceed
17 \$100,000.

18 “(2) AGGREGATION RULES.—All persons which
19 are treated as a single employer under subsections
20 (a) and (b) of section 52 shall be treated as a single
21 taxpayer for purposes of paragraph (1).

22 “(c) INTERNET ACCESS EXPENDITURE.—For pur-
23 poses of this section, the term ‘free public Internet access
24 expenditure’ means any amount paid or incurred during
25 the taxable year—

26 “(1) to acquire any computer—

1 “(A) used exclusively in providing Internet
2 access without charge to the general public, and

3 “(B) with respect to which a deduction for
4 depreciation (or amortization in lieu of depre-
5 ciation) is allowable, and

6 “(2) for Internet access for such computer.

7 “(d) NO DOUBLE BENEFIT.—

8 “(1) REDUCTION IN BASIS.—For purposes of
9 this subtitle, if a credit is determined under this sec-
10 tion with respect to any property, the basis of such
11 property shall be reduced by the amount of the cred-
12 it so determined.

13 “(2) OTHER DEDUCTIONS AND CREDITS.—No
14 deduction or credit shall be allowed under any other
15 provision of this chapter with respect to the amount
16 of the credit determined under this section.

17 “(e) RECAPTURE IN CERTAIN CASES.—The Sec-
18 retary shall, by regulations, provide for recapturing the
19 benefit of any credit allowable under subsection (a) with
20 respect to any property which is not used exclusively in
21 providing Internet access without charge to the general
22 public at any time.”

23 (b) CONFORMING AMENDMENTS.—

24 (1) Section 38(b) of such Code is amended—

1 (A) by striking “plus” at the end of para-
2 graph (11),

3 (B) by striking the period at the end of
4 paragraph (12) and inserting “, plus”, and

5 (C) by adding at the end the following new
6 paragraph:

7 “(13) the free public Internet access credit de-
8 termined under section 45D.”.

9 (2) Subsection (d) of section 39 of such Code
10 (relating to carryback and carryforward of unused
11 credits) is amended by adding at the end the fol-
12 lowing new paragraph:

13 “(9) NO CARRYBACK OF SECTION 45D CREDIT
14 BEFORE JANUARY 1, 2001.—No portion of the un-
15 used business credit for any taxable year which is
16 attributable to the credit determined under section
17 45D may be carried back to a taxable year begin-
18 ning before January 1, 2001.”.

19 (3) Subsection (a) of section 1016 of such Code
20 (relating to adjustments to basis) is amended by
21 striking “and” at the end of paragraph (26), by
22 striking the period at the end of paragraph (27) and
23 inserting “, and”, and by adding at the end the fol-
24 lowing new paragraph:

(4) The table of sections for subpart D of part IV of subchapter A of chapter 1 of such Code is amended by adding at the end the following new item:

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.