

106TH CONGRESS
1ST SESSION

H. R. 674

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

FEBRUARY 10, 1999

Mr. SAM JOHNSON of Texas (for himself, Mr. McCRERY, and Mr. WATKINS) 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 the pipe,
8 equipment, and appurtenances used to deliver natu-
9 ral gas from the wellhead to the point at which such
10 gas first reaches—

11 “(A) a gas processing plant,

12 “(B) an interconnection with an interstate
13 natural-gas company (as defined in section 2(6)
14 of the Natural Gas Act), or

15 “(C) an interconnection with an intrastate
16 transmission pipeline.”

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

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