

108TH CONGRESS
1ST SESSION

H. R. 3561

To amend the Internal Revenue Code of 1986 to provide a shorter recovery period for the depreciation of certain improvements to retail space.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 20, 2003

Mr. SHAW 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 provide a shorter recovery period for the depreciation of certain improvements to retail space.

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. RECOVERY PERIOD FOR DEPRECIATION OF**
4 **CERTAIN IMPROVEMENTS TO RETAIL SPACE.**

5 (a) 10-YEAR RECOVERY PERIOD.—Subparagraph
6 (D) of section 168(e)(3) of the Internal Revenue Code of
7 1986 (relating to 10-year property) is amended by striking
8 “and” at the end of clause (i), by striking the period at
9 the end of clause (ii) and inserting “, and”, and by adding
10 at the end the following new clause:

1 “(iii) any qualified retail improvement
2 property.”.

3 (b) QUALIFIED RETAIL IMPROVEMENT PROPERTY.—
4 Subsection (e) of section 168 of such Code is amended
5 by adding at the end the following new paragraph:

6 “(6) QUALIFIED RETAIL IMPROVEMENT PROP-
7 ERTY.—

8 “(A) IN GENERAL.—The term ‘qualified
9 retail improvement property’ means any im-
10 provement to an interior portion of a building
11 which is nonresidential real property if—

12 “(i) such portion is open to the gen-
13 eral public and is used in the trade or
14 business of selling tangible personal prop-
15 erty or services to the general public; and

16 “(ii) such improvement is placed in
17 service more than 3 years after the date
18 the building was first placed in service.

19 “(B) CERTAIN IMPROVEMENTS NOT IN-
20 CLUDED.—Such term shall not include any im-
21 provement for which the expenditure is attrib-
22 utable to—

23 “(i) the enlargement of the building,

24 “(ii) any elevator or escalator, or

1 “(iii) the internal structural frame-
2 work of the building.”.

3 (c) REQUIREMENT TO USE STRAIGHT LINE METH-
4 OD.—Paragraph (3) of section 168(b) of such Code is
5 amended by adding at the end the following new subpara-
6 graph:

7 “(G) Qualified retail improvement property
8 described in subsection (e)(6).”.

9 (d) ALTERNATIVE SYSTEM.—The table contained in
10 section 168(g)(3)(B) of such Code is amended by inserting
11 after the item relating to subparagraph (D)(ii) the fol-
12 lowing new item:

“(D)(iii) 10”.

13 (e) EFFECTIVE DATE.—The amendments made by
14 this section shall apply to qualified retail improvement
15 property placed in service after September 11, 2004.

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