

109TH CONGRESS
1ST SESSION

H. R. 3632

To amend the Internal Revenue Code of 1986 to allow a deduction for expenses related to the purchase and installation of qualifying electronic premise security systems.

IN THE HOUSE OF REPRESENTATIVES

JULY 29, 2005

Mr. LATOURETTE 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 deduction for expenses related to the purchase and installation of qualifying electronic premise security systems.

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 “Secure America’s
5 Homes and Businesses Act of 2005.”

1 **SEC. 2. DEDUCTION FOR PURCHASE AND INSTALLATION OF**
2 **ELECTRONIC PREMISE SECURITY SYSTEMS.**

3 (a) IN GENERAL.—Part VI of subchapter B of chap-
4 ter 1 of the Internal Revenue Code of 1986 (relating to
5 itemized deductions for individuals and corporations) is
6 amended by inserting after section 181 the following new
7 section:

8 **“SEC. 182. ELECTRONIC PREMISE SECURITY SYSTEMS.**

9 “(a) ALLOWANCE OF DEDUCTION.—In the case of a
10 taxpayer who elects the application of this section, there
11 shall be allowed as a deduction for the taxable year an
12 amount equal to the cost of any expenses relating to the
13 purchase and professional installation of a qualifying elec-
14 tronic premise security system in a residential or commer-
15 cial premise owned or occupied by the taxpayer during
16 such taxable year.

17 “(b) MAXIMUM DEDUCTION.—The deduction allowed
18 by subsection (a) for the taxable year shall not exceed—

19 “(1) in the case of a qualifying electronic
20 premise security system installed in a residential
21 premise, \$5,000, and

22 “(2) in the case of a qualifying electronic
23 premise security system installed in a commercial
24 premise, \$50,000.

25 “(c) DEFINITIONS.—For purposes of this section—

1 “(1) QUALIFYING ELECTRONIC PREMISE SECUR-
2 RITY SYSTEM.—The term ‘qualifying electronic
3 premise security system’ means any of the following:

4 “(A) Electronic fire or life safety devices,
5 intrusion detection alarms, and any other bur-
6 glar alarms or devices.

7 “(B) Video surveillance or other security
8 cameras and equipment.

9 “(C) Access controls, including biometric
10 controls, automated fingerprint identification
11 systems, and other electronic access control de-
12 vices.

13 “(D) Components, wiring, system displays,
14 terminals, auxiliary power supplies, and other
15 equipment necessary or incidental to the instal-
16 lation and operation of any item described in
17 subparagraph (A), (B), or (C).

18 “(2) PREMISE.—

19 “(A) RESIDENTIAL PREMISE.—The term
20 ‘residential premise’ means any house, condo-
21 minium, cooperative unit, boat, or trailer used
22 as a dwelling by the taxpayer.

23 “(B) COMMERCIAL PREMISE.—The term
24 ‘commercial premise’ means any structure, part
25 of a structure, or property used by the taxpayer

1 for commercial, retail, or business purposes, in-
2 cluding parking lots and other outside areas.

3 “(d) BASIS REDUCTION.—For purposes of this title,
4 the basis of any property shall be reduced by the portion
5 of the cost of such property taken into account under sub-
6 section (a).”.

7 (b) CONFORMING AMENDMENTS.—

8 (1) Section 263(a)(1) of such Code (relating to
9 capital expenditures) is amended by striking “or” at
10 the end of subparagraph (H), by striking the period
11 at the end of subparagraph (I) and inserting “, or”,
12 and by inserting after subparagraph (I) the fol-
13 lowing new subparagraph:

14 “(J) expenditures for which a deduction is
15 allowed under section 182.”.

16 (2) Section 1016(a) of such Code (relating to
17 adjustments to basis) is amended by striking “and”
18 at the end of paragraph (30), by striking the period
19 and inserting “, and” at the end of paragraph (31),
20 and by adding at the end the following new para-
21 graph:

22 “(32) to the extent provided in section 182.”.

23 (3) The table of sections for part VI of sub-
24 chapter B of chapter 1 of such Code is amended by

1 inserting after the item relating to section 181 the
2 following new item:

“Sec. 182. Electronic premise security systems.”.

3 (c) EFFECTIVE DATE.—The amendments made by
4 this Act shall apply to taxable years beginning after De-
5 cember 31, 2005.

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