

109TH CONGRESS
1ST SESSION

H. R. 3868

To increase and expand expensing under section 179 of the Internal Revenue Code of 1986 for property in hurricane disaster areas declared in 2005.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 22, 2005

Mr. DOOLITTLE introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To increase and expand expensing under section 179 of the Internal Revenue Code of 1986 for property in hurricane disaster areas declared in 2005.

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 “Gulf Region Economic
5 Assistance Tax Relief Act”.

6 **SEC. 2. EXPANSION AND INCREASE IN SECTION 179 EX-**
7 **PENSING FOR PROPERTY IN HURRICANE DIS-**
8 **ASTER AREAS DECLARED IN 2005.**

9 (a) IN GENERAL.—In the case of qualified hurricane
10 recovery property, section 179 of the Internal Revenue

1 Code of 1986 shall be applied with the following adjust-
 2 ments:

3 (1) INCREASED DOLLAR LIMITATION; WAIVER
 4 OF REDUCTION.—The limitations of paragraphs (1)
 5 and (2) of section 179(b) of such Code shall be ap-
 6 plied—

7 (A) separately to qualified hurricane recov-
 8 ery property and any other property, and

9 (B) in the case of qualified hurricane re-
 10 covery property,

11 (i) such paragraph (1) shall be ap-
 12 plied by substituting “\$10,000,000” for
 13 “\$100,000”, and

14 (ii) such paragraph (2) shall not
 15 apply.

16 (2) INCLUSION OF REAL PROPERTY, ETC.—
 17 Paragraph (1) of section 179(d) of such Code shall
 18 be applied without regard to subparagraph (B)
 19 thereof.

20 (b) QUALIFIED HURRICANE RECOVERY PROP-
 21 erty.—For purposes of this section—

22 (1) IN GENERAL.—The term “qualified hurri-
 23 cane recovery property” means any property—

24 (A) placed in service by the taxpayer dur-
 25 ing the period beginning on the date of the en-

1 actment of this Act and ending on December
2 31, 2006, in a hurricane recovery area, and

3 (B) substantially all of the use of which is
4 in such area and is in the active conduct of a
5 trade or business by the taxpayer in such area.

6 (2) HURRICANE RECOVERY AREA.—The term
7 “hurricane recovery area” means any area deter-
8 mined by the President during 2005 to warrant indi-
9 vidual or individual and public assistance from the
10 Federal Government under the Robert T. Stafford
11 Disaster Relief and Emergency Assistance Act by
12 reason of a hurricane.

13 (c) RECAPTURE.—Rules similar to the rules of sec-
14 tion 179(d)(10) of such Code shall apply with respect to
15 qualified hurricane recovery property which ceases to be
16 used in a hurricane recovery area.

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