

109TH CONGRESS
2D SESSION

H. R. 4790

To amend the Internal Revenue Code of 1986 to expand expensing for small business.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 16, 2006

Mr. HERGER (for himself, Mr. CHOCOLA, Mr. LEWIS of Kentucky, and Mrs. MUSGRAVE) 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 expand expensing for small business.

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 “Small Business Ex-
5 pensing Permanency Act of 2006”.

6 **SEC. 2. INCREASED EXPENSING FOR SMALL BUSINESS**
7 **MADE PERMANENT.**

8 (a) IN GENERAL.—Paragraph (1) of section 179(b)
9 of the Internal Revenue Code of 1986 (relating to dollar
10 limitation) is amended by striking “\$25,000 (\$100,000 in

1 the case of taxable years beginning after 2002 and before
2 2008)” and inserting “\$200,000”.

3 (b) INCREASE IN QUALIFYING INVESTMENT AT
4 WHICH PHASEOUT BEGINS.—Paragraph (2) of section
5 179(b) of such Code (relating to reduction in limitation)
6 is amended by striking “\$200,000 (\$400,000 in the case
7 of taxable years beginning after 2002 and before 2008)”
8 and inserting “\$800,000”.

9 (c) REBASING OF INFLATION ADJUSTMENTS.—Sec-
10 tion 179(b)(5)(A) of such Code (relating to inflation ad-
11 justments) is amended—

12 (1) in the matter preceding clause (i) by strik-
13 ing “2003 and before 2008, the \$100,000 and
14 \$400,000” and inserting “2007, the \$200,000 and
15 \$800,000”, and

16 (2) in clause (ii) by striking “calendar year
17 2002” and inserting “calendar year 2006”.

18 (d) REVOCATION OF ELECTION MADE PERMA-
19 NENT.—Section 179(c)(2) of such Code (relating to elec-
20 tion irrevocable) is amended by striking “and before
21 2008”.

22 (e) OFF-THE-SHELF COMPUTER SOFTWARE.—Sec-
23 tion 179(d)(1)(A)(ii) of such Code (relating to section 179
24 property) is amended by striking “and before 2008”.

1 (f) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to property placed in service in
3 taxable years beginning after December 31, 2006.

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