

109TH CONGRESS  
1ST SESSION

# S. 1473

To amend the Internal Revenue Code of 1986 to provide a business credit against income for the purchase of fishing safety equipment.

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IN THE SENATE OF THE UNITED STATES

JULY 22, 2005

Ms. COLLINS (for herself and Mr. KENNEDY) introduced the following bill;  
which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to provide a business credit against income for the purchase of fishing safety equipment.

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 “Commercial Fishermen  
5       Safety Act of 2005”.

6       **SEC. 2. CREDIT FOR PURCHASE OF FISHING SAFETY**  
7       **EQUIPMENT.**

8       (a) IN GENERAL.—Subpart D of part IV of sub-  
9       chapter A of chapter 1 of the Internal Revenue Code of

1 1986 (relating to business-related credits) is amended by  
 2 adding at the end the following new section:

3 **“SEC. 45J. FISHING SAFETY EQUIPMENT CREDIT.**

4       “(a) GENERAL RULE.—For purposes of section 38,  
 5 in the case of an eligible taxpayer, the fishing safety equip-  
 6 ment credit determined under this section for the taxable  
 7 year is 75 percent of the amount of qualified fishing safety  
 8 equipment expenses paid or incurred by the taxpayer dur-  
 9 ing the taxable year.

10       “(b) LIMITATION ON MAXIMUM CREDIT.—The credit  
 11 allowed under subsection (a) with respect to a taxpayer  
 12 for the taxable year shall not exceed \$1,500.

13       “(c) ELIGIBLE TAXPAYER.—For purposes of this sec-  
 14 tion, the term ‘eligible taxpayer’ means a taxpayer en-  
 15 gaged in a fishing business.

16       “(d) DEFINITIONS.—For purposes of this section—

17               “(1) FISHING BUSINESS.—The term ‘fishing  
 18 business’ means the conduct of commercial fishing  
 19 as defined in section 3 of the Magnuson-Stevens  
 20 Fishery Conservation and Management Act (16  
 21 U.S.C. 1802).

22               “(2) QUALIFIED FISHING SAFETY EQUIPMENT  
 23 EXPENSES.—

24                       “(A) IN GENERAL.—The term ‘qualified  
 25 fishing safety equipment expenses’ means an

1 amount paid or incurred for fishing safety  
2 equipment for use by the taxpayer in connection  
3 with a fishing business.

4 “(B) FISHING SAFETY EQUIPMENT.—The  
5 term ‘fishing safety equipment’ means—

6 “(i) lifesaving equipment required to  
7 be carried by a vessel under section 4502  
8 of title 46, United States Code, and

9 “(ii) any maintenance of such equip-  
10 ment required under such section.

11 “(e) SPECIAL RULES.—

12 “(1) IN GENERAL.—Rules similar to the rules  
13 of subsections (c), (d), and (e) of section 52 shall  
14 apply for purposes of this section.

15 “(2) AGGREGATION RULES.—All persons treat-  
16 ed as a single employer under subsection (a) or (b)  
17 of section 52 or subsection (m) or (o) of section 414  
18 shall be treated as one person for purposes of sub-  
19 section (a).

20 “(f) DENIAL OF DOUBLE BENEFIT.—No deduction  
21 shall be allowed under this chapter (other than a credit  
22 under this section) for any amount taken into account in  
23 determining the credit under this section.

24 “(g) BASIS ADJUSTMENT.—For purposes of this sub-  
25 title, if a credit is allowed under this section with respect

1 to any equipment, the basis of such equipment shall be  
 2 reduced by the amount of the credit so allowed.”.

3 (b) CONFORMING AMENDMENTS.—

4 (1) Section 38(b) of the Internal Revenue Code  
 5 of 1986 (relating to general business credit) is  
 6 amended by striking “plus” at the end of paragraph  
 7 (18), by striking the period at the end of paragraph  
 8 (19) and inserting “, plus”, and by adding at the  
 9 end the following new paragraph:

10 “(20) the fishing safety equipment credit deter-  
 11 mined under section 45J(a).”.

12 (2) Subsection (a) of section 1016 of such Code  
 13 is amended by striking “and” at the end of para-  
 14 graph (30), by striking the period at the end of  
 15 paragraph (31) and inserting “, and”, and by add-  
 16 ing at the end the following new paragraph:

17 “(32) in the case of equipment with respect to  
 18 which a credit was allowed under section 45J, to the  
 19 extent provided in section 45J(g).”.

20 (c) CLERICAL AMENDMENT.—The table of sections  
 21 for subpart D of part IV of subchapter A of chapter 1  
 22 of the Internal Revenue Code of 1986 is amended by add-  
 23 ing at the end the following new item:

“Sec. 45J. Fishing safety equipment credit.”.

1       (d) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to taxable years beginning after  
3 the date of the enactment of this Act.

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