

110TH CONGRESS  
1ST SESSION

# H. R. 1797

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

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 29, 2007

Mr. HERGER (for himself, Mr. BRADY of Texas, Mr. ENGLISH of Pennsylvania, and Mrs. MUSGRAVE) introduced the following bill; which was referred to the Committee on Ways and Means

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## 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 Expansion and Permanency Act of 2007”.

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 2010)” and inserting “\$200,000”.

3 (b) PHASEOUT OF LIMITATION ONLY BY 50 PER-  
4 CENT OF EXCESS OVER \$800,000.—Paragraph (2) of sec-  
5 tion 179(b) of such Code (relating to reduction in limita-  
6 tion) is amended to read as follows:

7 “(2) REDUCTION IN LIMITATION.—The limita-  
8 tion under paragraph (1) for any taxable year shall  
9 be reduced (but not below zero) by one-half of the  
10 amount by which the cost of section 179 property  
11 placed in service during such taxable year exceeds  
12 \$800,000.”.

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

16 (1) in the matter preceding clause (i) by strik-  
17 ing “2003 and before 2010, the \$100,000 and  
18 \$400,000” and inserting “2007, the \$200,000 and  
19 \$800,000”, and

20 (2) in clause (ii) by striking “calendar year  
21 2002” and inserting “calendar year 2006”.

22 (d) REVOCATION OF ELECTION MADE PERMA-  
23 NENT.—Section 179(c)(2) of such Code (relating to elec-  
24 tion irrevocable) is amended by striking “and before  
25 2010”.

1           (e) OFF-THE-SHELF COMPUTER SOFTWARE.—Sec-  
2 tion 179(d)(1)(A)(ii) of such Code (relating to section 179  
3 property) is amended by striking “and before 2010”.

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

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