

110TH CONGRESS
2D SESSION

H. R. 5085

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

IN THE HOUSE OF REPRESENTATIVES

JANUARY 22, 2008

Mr. HERGER 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 Temporary Expansion Act of 2008”.

6 **SEC. 2. INCREASE IN EXPENSING FOR SMALL BUSINESS.**

7 (a) IN GENERAL.—Paragraph (1) of section 179(b)
8 of the Internal Revenue Code of 1986 (relating to dollar
9 limitation) is amended by striking “\$125,000 in the case
10 of taxable years beginning after 2006 and before 2011”

1 and inserting “\$500,000 in the case of taxable years be-
2 ginning after 2007 and before 2011”.

3 (b) PHASEOUT OF LIMITATION ONLY BY 50 PER-
4 CENT OF EXCESS OVER \$2,000,000.—Paragraph (2) of
5 section 179(b) of such Code (relating to reduction in limi-
6 tation) 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 the amount (one-
10 half of such amount in the case of taxable years be-
11 ginning after 2007 and before 2011) by which the
12 cost of section 179 property placed in service during
13 such taxable year exceeds \$200,000 (\$2,000,000 in
14 the case of taxable years beginning after 2007 and
15 before 2011).”.

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

19 (1) in the matter preceding clause (i) by strik-
20 ing “2007 and before 2011, the \$125,000 and
21 \$500,000” and inserting “2008 and before 2011,
22 the \$500,000 and \$2,000,000”, and

23 (2) in clause (ii) by striking “calendar year
24 2006” and inserting “calendar year 2007”.

1 (d) **EFFECTIVE DATE.**—The amendments made by
2 this section shall apply to property placed in service in
3 taxable years beginning after December 31, 2007.

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