

110TH CONGRESS
2D SESSION

S. 2572

To amend the Internal Revenue Code of 1986 to provide for bonus depreciation or an additional minimum tax credit in lieu of such bonus depreciation.

IN THE SENATE OF THE UNITED STATES

JANUARY 30, 2008

Mr. VOINOVICH introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to provide for bonus depreciation or an additional minimum tax credit in lieu of such bonus depreciation.

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. BONUS DEPRECIATION FOR CERTAIN PROP-**
4 **ERTY ACQUIRED DURING 2008.**

5 (a) IN GENERAL.—Subsection (k) of section 168 of
6 the Internal Revenue Code of 1986 (relating to special al-
7 lowance for certain property acquired after September 10,
8 2001, and before January 1, 2005) is amended—

1 (1) by striking “September 10, 2001” each
 2 place it appears and inserting “December 31,
 3 2007”,

4 (2) by striking “September 11, 2001” each
 5 place it appears and inserting “January 1, 2008”,

6 (3) by striking “January 1, 2005” each place
 7 it appears and inserting “January 1, 2009”, and

8 (4) by striking “January 1, 2006” each place
 9 it appears and inserting “January 1, 2010”.

10 (b) 50 PERCENT ALLOWANCE.—Subparagraph (A) of
 11 section 168(k)(1) of such Code is amended by striking “30
 12 percent” and inserting “50 percent”.

13 (c) CONFORMING AMENDMENTS.—

14 (1) Subclause (I) of section 168(k)(2)(B)(i) of
 15 such Code is amended by striking “and (iii)” and in-
 16 serting “(iii), and (iv)”.

17 (2) Subclause (IV) of section 168(k)(2)(B)(i) of
 18 such Code is amended by striking “clauses (ii) and
 19 (iii)” and inserting “clause (iii)”.

20 (3) Clause (i) of section 168(k)(2)(C) of such
 21 Code is amended by striking “and (iii)” and insert-
 22 ing “, (iii), and (iv)”.

23 (4) Clause (i) of section 168(k)(2)(F) of such
 24 Code is amended by striking “\$4,600” and inserting
 25 “\$8,000”.

1 (5)(A) Subsection (k) of section 168 of such
2 Code is amended by striking paragraph (4).

3 (B) Clause (iii) of section 168(k)(2)(D) of such
4 Code is amended by striking the last sentence.

5 (6) Paragraph (4) of section 168(l) of such
6 Code is amended by redesignating subparagraphs
7 (A), (B), and (C) as subparagraphs (B), (C), and
8 (D) and inserting before subparagraph (B) (as so
9 redesignated) the following new subparagraph:

10 “(A) BONUS DEPRECIATION PROPERTY
11 UNDER SUBSECTION (k).—Such term shall not
12 include any property to which section 168(k)
13 applies.”.

14 (7) Paragraph (5) of section 168(l) of such
15 Code is amended—

16 (A) by striking “September 10, 2001” in
17 subparagraph (A) and inserting “December 31,
18 2007”, and

19 (B) by striking “January 1, 2005” in sub-
20 paragraph (B) and inserting “January 1,
21 2009”.

22 (8) Subparagraph (D) of section 1400L(b)(2)
23 of such Code is amended by striking “January 1,
24 2005” and inserting “January 1, 2010”.

1 (9) Paragraph (3) of section 1400N(d) of such
2 Code is amended—

3 (A) by striking “September 10, 2001” in
4 subparagraph (A) and inserting “December 31,
5 2007”, and

6 (B) by striking “January 1, 2005” in sub-
7 paragraph (B) and inserting “January 1,
8 2009”.

9 (10) Paragraph (6) of section 1400N(d) of such
10 Code is amended by adding at the end the following
11 new subparagraph:

12 “(E) EXCEPTION FOR BONUS DEPRECIA-
13 TION PROPERTY UNDER SECTION 168(k).—The
14 term ‘specified Gulf Opportunity Zone extension
15 property’ shall not include any property to
16 which section 168(k) applies.”.

17 (11) The heading for subsection (k) of section
18 168 of such Code is amended—

19 (A) by striking “SEPTEMBER 10, 2001”
20 and inserting “DECEMBER 31, 2007”, and

21 (B) by striking “JANUARY 1, 2005” and
22 inserting “JANUARY 1, 2009”.

23 (12) The heading for clause (ii) of section
24 168(k)(2)(B) of such Code is amended by striking

1 “PRE-JANUARY 1, 2005” and inserting “PRE-JANU-
2 ARY 1, 2009”.

3 (d) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to property placed in service after
5 December 31, 2007, in taxable years ending after such
6 date.

7 **SEC. 2. ELECTION TO INCREASE MINIMUM TAX CREDIT IN**
8 **LIEU OF BONUS DEPRECIATION.**

9 (a) IN GENERAL.—Section 53 of the Internal Rev-
10 enue Code of 1986 (relating to credit for prior year min-
11 imum tax liability) is amended by adding at the end the
12 following new subsection:

13 “(f) ADDITIONAL CREDIT IN LIEU OF BONUS DE-
14 PRECIATION.—

15 “(1) IN GENERAL.—In the case of a corpora-
16 tion making an election under this subsection for a
17 taxable year, the limitation under subsection (c)
18 shall be increased by an amount equal to the bonus
19 depreciation amount.

20 “(2) BONUS DEPRECIATION AMOUNT.—For
21 purposes of paragraph (1), the bonus depreciation
22 amount for any taxable year is an amount equal to
23 the product of—

24 “(A) 35 percent, and

25 “(B) the excess (if any) of—

1 “(i) the aggregate amount of depre-
 2 ciation which would be determined under
 3 section 168 for property placed in service
 4 during such taxable year if no election
 5 under this subsection were made, over

6 “(ii) the aggregate allowance for de-
 7 preciation allowable with respect to such
 8 property placed in service for such taxable
 9 year.

10 “(3) AGGREGATION RULE.—All members of the
 11 same controlled group shall be treated as 1 corpora-
 12 tion for purposes of this subsection.

13 “(4) ELECTION.—Section 168(k) (relating to
 14 bonus depreciation) shall not apply to any property
 15 placed in service during a taxable year by a corpora-
 16 tion making an election under this subsection for
 17 such taxable year. An election under this subsection
 18 may only be revoked with the consent of the Sec-
 19 retary.

20 “(5) CREDIT REFUNDABLE.—The aggregate in-
 21 crease in the credit allowed by this section for any
 22 taxable year by reason of this subsection shall for
 23 purposes of this title (other than subsection (b)(2)
 24 of this section) be treated as a credit allowed to the
 25 taxpayer under subpart C.”.

1 (b) CROSS REFERENCE.—Section 168(k) of such
2 Code (relating to bonus depreciation) is amended by add-
3 ing at the end the following new paragraph:

4 “(5) CROSS REFERENCE.—For an election to
5 claim additional minimum tax credits in lieu of the
6 allowance determined under this subsection, see sec-
7 tion 53(f).”.

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