

111TH CONGRESS  
1ST SESSION

# H. R. 4311

To amend the Internal Revenue Code of 1986 to extend the increase in the expensing deduction for small businesses.

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## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 15, 2009

Mrs. HALVORSON 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 extend the increase in the expensing deduction for small businesses.

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 “Bonus Depreciation  
5       and Enhanced Expensing for Small Businesses Extension  
6       Act of 2009”.

7       **SEC. 2. EXTENSION OF INCREASED EXPENSING FOR SMALL**  
8       **BUSINESSES.**

9       (a) IN GENERAL.—Paragraph (7) of section 179(b)  
10      of the Internal Revenue Code of 1986 is amended—

1 (1) by striking “or 2009” and inserting “2009,  
2 or 2010”, and

3 (2) by striking “AND 2009” in the heading  
4 thereof and inserting “2009, OR 2010”.

5 (b) EFFECTIVE DATE.—The amendments made by  
6 this section shall apply to taxable years beginning after  
7 December 31, 2009.

8 **SEC. 3. SPECIAL ALLOWANCE FOR CERTAIN PROPERTY AC-**  
9 **QUIRED DURING 2010.**

10 (a) EXTENSION OF SPECIAL ALLOWANCE.—

11 (1) IN GENERAL.—Paragraph (2) of section  
12 168(k) of the Internal Revenue Code of 1986 is  
13 amended—

14 (A) by striking “January 1, 2011” and in-  
15 serting “January 1, 2012”, and

16 (B) by striking “January 1, 2010” each  
17 place it appears and inserting “January 1,  
18 2011”.

19 (2) CONFORMING AMENDMENTS.—

20 (A) The heading for subsection (k) of sec-  
21 tion 168 of such Code is amended by striking  
22 “2010” and inserting “2011”.

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

1 ing “PRE-JANUARY 1, 2010” and inserting “PRE-  
2 JANUARY 1, 2011”.

3 (C) Subparagraph (B) of section 168(l)(5)  
4 of such Code is amended by striking “January  
5 1, 2009” and inserting “January 1, 2010”.

6 (D) Subparagraph (C) of section 168(n)(2)  
7 of such Code is amended by striking “January  
8 1, 2009” and inserting “January 1, 2010”.

9 (E) Subparagraph (B) of section  
10 1400N(d)(3) of such Code is amended by strik-  
11 ing “January 1, 2009” and inserting “January  
12 1, 2010”.

13 (b) EXTENSION OF ELECTION TO ACCELERATE THE  
14 AMT AND RESEARCH CREDITS IN LIEU OF BONUS DE-  
15 PRECIATION.—Section 168(k)(4) of such Code (relating to  
16 election to accelerate the AMT and research credits in lieu  
17 of bonus depreciation) is amended—

18 (1) by striking “January, 1, 2010” and insert-  
19 ing “January 1, 2011” in subparagraph (D)(iii),  
20 and

21 (2) by adding at the end the following new sub-  
22 paragraph:

23 “(I) SPECIAL RULES FOR 2010 EXTENSION  
24 PROPERTY.—

1           “(i) TAXPAYERS PREVIOUSLY ELECT-  
2           ING ACCELERATION.—In the case of a tax-  
3           payer who made the election under sub-  
4           paragraph (A) for its first taxable year  
5           ending after March 31, 2008—

6                   “(I) the taxpayer may elect not  
7                   to have this paragraph apply to 2010  
8                   extension property, but

9                   “(II) if the taxpayer does not  
10                  make the election under subclause (I),  
11                  in applying this paragraph to the tax-  
12                  payer a separate bonus depreciation  
13                  amount, maximum amount, and max-  
14                  imum increase amount shall be com-  
15                  puted and applied to eligible qualified  
16                  property which is 2010 extension  
17                  property and to eligible qualified prop-  
18                  erty which is not 2010 extension prop-  
19                  erty.

20           “(ii) TAXPAYERS NOT PREVIOUSLY  
21           ELECTING ACCELERATION.—In the case of  
22           a taxpayer who did not make the election  
23           under subparagraph (A) for its first tax-  
24           able year ending after March 31, 2008—

1           “(I) the taxpayer may elect to  
2           have this paragraph apply to its first  
3           taxable year ending after December  
4           31, 2009, and each subsequent tax-  
5           able year, and

6           “(II) if the taxpayer makes the  
7           election under subclause (I), this  
8           paragraph shall only apply to eligible  
9           qualified property which is 2010 ex-  
10          tension property.

11          “(iii) MODIFICATION OF MAXIMUM IN-  
12          CREASE AMOUNT.—In applying this para-  
13          graph with respect to 2010 extension prop-  
14          erty, subparagraph (C)(iii) shall be applied  
15          without regard to subclause (II) thereof.

16          “(iv) 2010 EXTENSION PROPERTY.—  
17          For purposes of this subparagraph, the  
18          term ‘2010 extension property’ means  
19          property which is eligible qualified property  
20          solely by reason of the extension of the ap-  
21          plication of the special allowance under  
22          paragraph (1) pursuant to the amend-  
23          ments made by section 3 of the Bonus De-  
24          preciation and Enhanced Expensing for  
25          Small Businesses Extension Act of 2009

1 (and the application of such extension to  
2 this paragraph pursuant to the amendment  
3 made by section 3(b)(1) of such Act).”.

4 (c) EFFECTIVE DATE.—The amendments made by  
5 this section shall apply to property placed in service after  
6 December 31, 2009, in taxable years ending after such  
7 date.

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