

111TH CONGRESS  
2D SESSION

# H. R. 6041

To amend the Internal Revenue Code of 1986 to exclude income attributable to certain empowerment zone real property from gross income.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 30, 2010

Mr. KIRK 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 exclude income attributable to certain empowerment zone real property from gross income.

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 “Bringing Business  
5 Back Act of 2010”.

6 **SEC. 2. INCENTIVES FOR CERTAIN EMPOWERMENT ZONE**  
7 **REAL PROPERTY.**

8 (a) IN GENERAL.—Subchapter U of chapter 1 of the  
9 Internal Revenue Code of 1986 is amended by redesign-  
10 nating part V as part VI, by redesignating section 1397F

1 as section 1397G, and by inserting after part IV the fol-  
 2 lowing new part:

3 **“PART V—INCENTIVE FOR EMPOWERMENT ZONE**

4 **REAL PROPERTY**

5 **“SEC. 1397F. INCOME ATTRIBUTABLE TO EMPOWERMENT**

6 **ZONE REAL PROPERTY EXCLUDED FROM**

7 **GROSS INCOME.**

8 “(a) IN GENERAL.—Gross income shall not include  
 9 income or gain attributable to qualified real property for  
 10 any taxable year beginning during the exclusion period.

11 “(b) DEFINITIONS.—For purposes of this section—

12 “(1) QUALIFIED REAL PROPERTY.—

13 “(A) IN GENERAL.—The term ‘qualified  
 14 real property’ means any real property—

15 “(i) which is certified by the State or  
 16 local zoning authority, and any economic  
 17 development board, with respect to such  
 18 property as meeting the requirements of  
 19 subparagraph (B), and

20 “(ii) with respect to which an election  
 21 has been made (at such time and in such  
 22 form and manner as the Secretary shall by  
 23 regulation prescribe) to have this section  
 24 apply.

“(B) REQUIREMENTS.—Property meets the requirements of this subparagraph if such property—

“(i) is zoned for commercial use,

“(ii) has been undeveloped and vacant during the 2-year period ending on the date of certification, and

“(iii) is located within a qualified census tract.

“(C) QUALIFIED CENSUS TRACT.—The term ‘qualified census tract’ means any census tract which—

“(i)(I) has an average poverty rate exceeding the national average poverty rate, or

“(II) has an unemployment rate above the national unemployment rate, and

“(ii) exhibits another condition of distress, such as high crime, deteriorating infrastructure, or population decline.

Poverty rates shall be determined by using 2010 census data, and unemployment rates shall be determined by reference to the rate of unemployment announced by the Bureau of Labor Statistics of the Department of Labor

1           for the months in the 2 most recently ended  
2           calendar quarters.

3           “(D) ECONOMIC DEVELOPMENT BOARD.—

4           The term ‘economic development board’ means,  
5           with respect to any property, any entity estab-  
6           lished by law to oversee the economic develop-  
7           ment of an area within which such property is  
8           located.

9           “(2) EXCLUSION PERIOD.—The term ‘exclusion  
10          period’ means, with respect to a taxable year, the 10  
11          taxable year period beginning with the first taxable  
12          year beginning after the date of the enactment of  
13          this section for which the income attributable to the  
14          qualified real property exceeds the pre-depreciation  
15          expenses attributable to such real property.

16          “(c) SPECIAL RULES.—For purposes of this sec-  
17          tion—

18                 “(1) SUBSEQUENT TAXPAYERS.—Subsection (a)  
19                 shall only apply to a taxpayer who has an ownership  
20                 interest in the qualified real property on the first  
21                 day of the exclusion period with respect to such  
22                 property.

23                 “(2) LIMITATION ON APPLICATION OF SEC-  
24                 TION.—An election to have this section apply may  
25                 only be made once with respect to any property.

1           “(3) TAX-EXEMPT USE PROPERTY.—This sec-  
 2           tion shall not apply to any property which is tax-ex-  
 3           empt use property (as defined in section 168(h)).

4           “(d) REGULATIONS.—The Secretary may prescribe  
 5           such regulations as may be necessary or appropriate to  
 6           carry out the purposes of this section, including methods  
 7           for allocating income and expenses to property and rules  
 8           to prevent abuse of this section.”.

9           (b) CLERICAL AMENDMENT.—The table of parts for  
 10          subchapter U of chapter 1 of such Code is amended by  
 11          striking the item relating to part V and inserting the fol-  
 12          lowing new items:

          “PART V. INCENTIVE FOR EMPOWERMENT ZONE REAL PROPERTY.

          “PART VI. REGULATIONS.”.

13          (c) EFFECTIVE DATE.—The amendments made by  
 14          this section shall apply to taxable years beginning after  
 15          the date of the enactment of this Act.

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