

111TH CONGRESS  
2D SESSION

# H. R. 6097

To amend the Internal Revenue Code of 1986 to modify timing rules for determining gross income with respect to certain construction contracts.

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## IN THE HOUSE OF REPRESENTATIVES

AUGUST 10, 2010

Mr. HERGER (for himself and Ms. BERKLEY) 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 modify timing rules for determining gross income with respect to certain construction contracts.

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 “American Job Builders  
5       Tax Reform Act of 2010”.

6       **SEC. 2. INDEXING OF SMALL CONTRACTOR THRESHOLD**  
7                               **FOR CONSTRUCTION CONTRACTS.**

8       (a) SMALL CONTRACTOR THRESHOLD TO CORRECT  
9       FOR PRIOR INFLATION.—Clause (ii) of section  
10       460(e)(1)(B) of the Internal Revenue Code of 1986 is

1 amended by striking “\$10,000,000” and inserting  
2 “\$40,000,000”.

3 (b) SMALL CONTRACTOR THRESHOLD INDEXED FOR  
4 INFLATION.—Subsection (e) of section 460 of such Code  
5 is amended by adding at the end the following new para-  
6 graph:

7 “(7) INFLATION ADJUSTMENT.—

8 “(A) IN GENERAL.—In the case of a tax-  
9 able year beginning after 2009, the  
10 \$40,000,000 amount in 460(e)(1)(B)(ii) shall  
11 be increased by an amount equal to—

12 “(i) such dollar amount, multiplied by

13 “(ii) the cost-of-living adjustment de-  
14 termined under section 1(f)(3) for the cal-  
15 endar year in which the taxable year be-  
16 gins, determined by substituting ‘calendar  
17 year 2010’ for ‘calendar year 1992’ in sub-  
18 paragraph (B) thereof.

19 “(B) ROUNDING.—If any amount as ad-  
20 justed under subparagraph (A) is not a multiple  
21 of \$100, such amount shall be rounded to the  
22 next lowest multiple of \$100.”.

23 (c) EFFECTIVE DATE.—The amendments made by  
24 this section shall apply to taxable years beginning after  
25 December 31, 2009.

1 **SEC. 3. MINIMUM TAX TREATMENT NOT TO APPLY TO CON-**  
2 **STRUCTION CONTRACTS.**

3 (a) IN GENERAL.—Paragraph (3) of section 56(a) of  
4 the Internal Revenue Code of 1986 is amended by striking  
5 the second sentence and inserting the following:

6 “For purposes of the preceding sentence, in the case of  
7 a construction contract (as defined in section 460(e)(4)),  
8 section 460(b)(1)(B) shall not apply.”.

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

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