

111TH CONGRESS
1ST SESSION

S. 287

To amend the Internal Revenue Code of 1986 to provide for the full deduction allowable with respect to income attributable to domestic production activities, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 21, 2009

Mr. INHOFE 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 the full deduction allowable with respect to income attributable to domestic production activities, and for other purposes.

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. ACCELERATION OF PHASEIN OF DOMESTIC**
4 **PRODUCTION ACTIVITIES DEDUCTION.**

5 (a) IN GENERAL.—Subsection (a) of section 199 of
6 the Internal Revenue Code of 1986 (relating to allowance
7 of deduction) is amended to read as follows:

1 “(a) ALLOWANCE OF DEDUCTION.—There shall be
2 allowed as a deduction an amount equal to 9 percent of
3 the lesser of—

4 “(1) the qualified production activities income
5 of the taxpayer for the taxable year, or

6 “(2) taxable income (determined without regard
7 to this section) for the taxable year.”.

8 (b) CONFORMING AMENDMENT.—Paragraph (2) of
9 section 199(d) of such Code is amended by striking “sub-
10 section (a)(1)(B)” and inserting “subsection (a)(2)”.

11 (c) EFFECTIVE DATE.—The amendment made by
12 this section shall apply to taxable years beginning after
13 December 31, 2008.

14 **SEC. 2. RESTORATION OF FULL DOMESTIC PRODUCTION**
15 **ACTIVITIES DEDUCTION FOR OIL RELATED**
16 **PRODUCTION ACTIVITIES.**

17 (a) IN GENERAL.—Section 401 of the Energy Im-
18 provement and Extension Act of 2008 is repealed.

19 (b) EFFECTIVE DATE; ADMINISTRATION OF CODE.—

20 (1) EFFECTIVE DATE.—The repeal made by
21 this section shall apply to taxable years beginning
22 after December 31, 2008.

23 (2) ADMINISTRATION OF CODE.—The Internal
24 Revenue Code of 1986 shall be applied and adminis-
25 tered as if section 401 of the Energy Improvement

- 1 and Extension Act of 2008, and the amendments
- 2 made by such section, had not been enacted.

