

112TH CONGRESS
2D SESSION

H. R. 4001

To amend the Internal Revenue Code of 1986 to allow partnerships invested in infrastructure property to be treated as publicly traded partnerships, to reduce the depreciation recovery periods for such property, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 9, 2012

Mr. CAMPBELL introduced the following bill; which was referred to the
Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to allow partnerships invested in infrastructure property to be treated as publicly traded partnerships, to reduce the depreciation recovery periods for such property, 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. INCENTIVES FOR INFRASTRUCTURE INVEST-**
4 **MENTS.**

5 (a) INFRASTRUCTURE INCOME TO BE QUALIFYING
6 INCOME FOR PURPOSES OF DETERMINING PUBLICLY
7 TRADED PARTNERSHIP STATUS.—

1 (1) IN GENERAL.—Paragraph (1) of section
2 7704(d) of the Internal Revenue Code of 1986 (de-
3 fining qualifying income) is amended by redesign-
4 nating subparagraphs (F) and (G) as subparagraphs
5 (G) and (H), respectively, and by inserting after
6 subparagraph (E) the following new subparagraph:

7 “(F) income and gains from the use, sale,
8 or exchange of infrastructure property,”.

9 (2) INFRASTRUCTURE PROPERTY.—Subsection
10 (d) of section 7704 of such Code is amended by add-
11 ing at the end the following new paragraph:

12 “(6) INFRASTRUCTURE PROPERTY.—The term
13 ‘infrastructure property’ means property which is
14 part of any of the following:

15 “(A) Roads and related improvements.

16 “(B) Train tracks and related improve-
17 ments.

18 “(C) Airports.

19 “(D) Docks and wharves.

20 “(E) Facilities for the furnishing of water.

21 “(F) Sewage facilities.

22 “(G) Solid waste disposal facilities.

23 “(H) Facilities for the generation, trans-
24 mission, and distribution of electricity, includ-

1 ing property described in clause (iii) or (iv) of
2 section 168(e)(3)(D).

3 “(I) Facilities for the transmission and
4 distribution of natural gas.

5 “(J) Communications facilities.

6 For purposes of subparagraphs (A) and (B), related
7 improvements include bridges, tunnels, and traffic
8 control equipment.”.

9 (b) EXPANSION OF DEDUCTION FOR DOMESTIC PRO-
10 Duction ACTIVITIES IN THE CASE OF PUBLICLY TRADED
11 PARTNERSHIPS.—

12 (1) REDUCTION FOR OIL RELATED QUALIFIED
13 PRODUCTION ACTIVITIES INCOME NOT TO APPLY.—
14 Paragraph (9) of section 199(d) of such Code is
15 amended by adding at the end the following new
16 subparagraph:

17 “(D) EXCEPTION FOR INCOME FROM PUB-
18 LICLY TRADED PARTNERSHIPS.—Subparagraph
19 (A) shall not apply to income derived from any
20 publicly traded partnership (as defined in sec-
21 tion 7704(b)).”.

22 (2) DISTRIBUTION AND TRANSMISSION ACTIVI-
23 TIES OF A PUBLICLY TRADED PARTNERSHIP TO BE
24 ELIGIBLE.—Subparagraph (B) of section 199(c)(4)

1 of such Code is amended by adding at the end the
 2 following new flush sentence:

3 “Clause (ii) shall not apply to the activities of
 4 a publicly traded partnership (as defined in sec-
 5 tion 7704(b)).”.

6 (c) INFRASTRUCTURE PROPERTY TREATED AS 5-
 7 YEAR PROPERTY.—

8 (1) IN GENERAL.—Subparagraph (B) of section
 9 168(e)(3) of such Code is amended by striking
 10 “and” at the end of clause (vi), by striking the pe-
 11 riod at the end of clause (vii) and inserting “, and”,
 12 and by inserting after clause (vii) the following new
 13 clause:

14 “(viii) infrastructure property (as de-
 15 fined in section 7704(d)(6)).”.

16 (2) CONFORMING AMENDMENTS.—

17 (A) Subparagraph (C) of section 168(e)(3)
 18 of such Code is amended by striking clause (i)
 19 and by redesignating the succeeding clauses ac-
 20 cordingly.

21 (B) Subparagraph (D) of such section is
 22 amended by adding “and” at the end of clause
 23 (i), by striking “, and” at the end of clause (ii)
 24 and inserting a period, and by striking clauses
 25 (iii) and (iv).

1 (C) Subparagraph (E) of such section is
 2 amended by striking clauses (i), (ii), and (vii)
 3 and by redesignating clauses (iii), (iv), (v), (vi),
 4 (viii), and (ix) as clauses (i), (ii), (iii), (iv), (v),
 5 and (vi), respectively.

6 (D) Subparagraph (F) of such section is
 7 hereby repealed.

8 (E) Subsection (e) of section 168 of such
 9 Code is amended by striking paragraphs (4)
 10 and (5) and by redesignating the succeeding
 11 paragraphs accordingly.

12 (F) The table contained in section
 13 168(g)(3)(B) of such Code is amended by strik-
 14 ing the item relating to subparagraph (C)(i)
 15 and all that follows and inserting the following:

“(C)(ii)	22
(C)(iii)	14
(D)(i)	15
(D)(ii)	20
(E)(i)	20
(E)(ii)	39
(E)(iii)	39
(E)(iv)	20
(E)(v)	35
(E)(vi)	39”.

16 (d) LIKE-KIND EXCHANGE TREATMENT FOR EX-
 17 CHANGES OF INFRASTRUCTURE PROPERTY.—Section
 18 1031 of such Code (relating to exchange of property held
 19 for productive use or investment) is amended by adding
 20 at the end the following new subsection:

1 “(j) ALL INFRASTRUCTURE PROPERTY TREATED AS
 2 LIKE KIND.—Except as provided in subsection (h), each
 3 real property—

4 “(1) which is infrastructure property (as de-
 5 fined in section 7704(d)(6)), and

6 “(2) which is held for productive use in a trade
 7 or business or for investment,

8 shall be treated as being of a like kind to every other real
 9 property which is infrastructure property (as so defined)
 10 and which is so held.”.

11 (e) EFFECTIVE DATES.—

12 (1) IN GENERAL.—Except as provided in para-
 13 graphs (2) and (3), the amendments made by this
 14 section shall apply to taxable years beginning after
 15 the date of the enactment of this Act.

16 (2) DEPRECIATION.—The amendments made by
 17 subsection (c) shall apply to property placed in serv-
 18 ice after the date of the enactment of this Act in
 19 taxable years ending after such date.

20 (3) EXCHANGES.—The amendment made by
 21 subsection (d) shall apply to transfers after the date
 22 of the enactment of this Act in taxable years ending
 23 after such date.

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