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114TH CONGRESS
1ST SESSION

H. R. 2524

To amend the Internal Revenue Code of 1986 to increase the limitations for deductible new business expenditures and to consolidate provisions for start-up and organizational expenditures.

IN THE HOUSE OF REPRESENTATIVES

MAY 21, 2015

Mr. BUCHANAN (for himself, Ms. LINDA T. SÁNCHEZ of California, Mr. BLUMENAUER, Mr. RANGEL, Mr. RENACCI, Mr. KIND, Mr. THOMPSON of California, Mr. TIBERI, Mr. DOLD, Mr. NEAL, Mr. KELLY of Pennsylvania, Mr. REED, and Mr. PASCRELL) 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 increase the limitations for deductible new business expenditures and to consolidate provisions for start-up and organizational expenditures.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ‘‘Support Our Start-Ups Act’’.

SEC. 2. NEW BUSINESS EXPENDITURES.

(a) IN GENERAL.—Subsections (a) and (b) of section 195 of the Internal Revenue Code of 1986 are both amended by inserting ‘‘and organizational’’ after ‘‘start-up’’ each place it appears.

(b) ORGANIZATIONAL EXPENDITURES.—Subsection (c) of section 195 of such Code is amended by adding at the end the following new paragraph:

‘‘(3) ORGANIZATIONAL EXPENDITURES.—The term ‘organizational expenditures’ means any expenditure which—

‘‘(A) is incident to the creation of a corporation or a partnership,

‘‘(B) is chargeable to capital account, and

‘‘(C) is of a character which, if expended incident to the creation of a corporation or a partnership having a limited life, would be amortizable over such life.’’.

(c) DOLLAR AMOUNTS.—Clause (ii) of section 195(b)(1)(A) of such Code is amended—

(1) by striking ‘‘$5,000’’ and inserting ‘‘$20,000’’, and

(2) by striking ‘‘$50,000’’ and inserting ‘‘$120,000’’.

(d) AMORTIZATION TREATMENT.—Subparagraph (B) of section 195(b)(1) of such Code, as amended by subsection (a), is amended to read as follows:

"(B) the remainder of such start-up and organizational expenditures shall be charged to capital account and allowed as an amortization deduction determined by amortizing such expenditures ratably over the 15-year period beginning with the midpoint of the taxable year in which the active trade or business begins.".

(e) CONFORMING AMENDMENTS.—

(1) Section 195(b)(1) of such Code is amended—

(A) by inserting "(or, in the case of a partnership, the partnership elects)" after "If a taxpayer elects", and

(B) by inserting "(or the partnership, as the case may be)" after "the taxpayer" in subparagraph (A).

(2) Section 195(b)(2) of such Code is amended—

(A) by striking "AMORTIZATION PERIOD.—In any case" and inserting the following: "AMORTIZATION PERIOD.—

"(A) IN GENERAL.—In any case", and

(B) by adding at the end the following new subparagraph:

"(B) SPECIAL PARTNERSHIP RULE.—In the case of a partnership, subparagraph (A) shall be applied at the partnership level.".

(3) Section 195(b) of such Code is amended by striking paragraph (3).

(4)(A) Part VIII of subchapter B of chapter 1 of such Code is amended by striking section 248 (and by striking the item relating to such section in the table of sections for such part).

(B) Section 56(g)(4)(D)(ii) of such Code is amended by striking "Sections 173 and 248" and inserting "Section 173".

(C) Section 170(b)(2)(C)(ii) of such Code is amended by striking "(except section 248)".

(D) Section 312(n)(3) of such Code is amended by striking "Sections 173 and 248" and inserting "Section 173".

(E) Section 535(b)(3) of such Code is amended by striking "(except section 248)".

(F) Section 545(b)(3) of such Code is amended by striking "(except section 248)".

(G) Section 834(c)(7) of such Code is amended by striking "(except section 248)".

(H) Section 852(b)(2)(C) of such Code is amended by striking "(except section 248)".

(I) Section 857(b)(2)(A) of such Code is amended by striking "(except section 248)".

(J) Section 1363(b) of such Code is amended by inserting "and" at the end of paragraph (2), by striking paragraph (3), and by redesignating paragraph (4) as paragraph (3).

(K) Section 1375(b)(1)(B)(i) of such Code is amended by striking "(other than the deduction allowed by section 248, relating to organization expenditures)".

(5) Part I of subchapter K of chapter 1 of such Code is amended by striking section 709 (and by striking the item relating to such section in the table of sections for such part).

(6) The heading of section 195 of such Code (and the item relating to such section in the table of sections for part VI of subchapter B of chapter 1 of such Code) are each amended by inserting "and organizational" after "Start-up".

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to expenses paid or incurred in taxable years beginning after December 31, 2015.

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