114TH CONGRESS
1ST SESSION

S. 1666

To amend the Internal Revenue Code of 1986 to increase the limitation on the election to accelerate the AMT credit in lieu of bonus depreciation for 2015 and 2016, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 24, 2015

Ms. STABENOW (for herself, Mr. ROBERTS, Mr. BROWN, and Mr. BLUNT) 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 increase the limitation on the election to accelerate the AMT credit in lieu of bonus depreciation for 2015 and 2016, and for other purposes.

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

SECTION 1. EXTENSION OF BONUS DEPRECIATION.

(a) IN GENERAL.—Paragraph (2) of section 168(k) of the Internal Revenue Code of 1986 is amended—

(1) by striking "January 1, 2016" in subparagraph (A)(iv) and inserting "January 1, 2018", and

(2) by striking "January 1, 2015" each place it appears and inserting "January 1, 2017".

(b) SPECIAL RULE FOR FEDERAL LONG-TERM CONTRACTS.—Clause (ii) of section 460(c)(6)(B) of the Internal Revenue Code of 1986 is amended by striking "January 1, 2015 (January 1, 2016" and inserting "January 1, 2017 (January 1, 2018".

(c) CONFORMING AMENDMENTS.—

(1) The heading for subsection (k) of section 168 of the Internal Revenue Code of 1986 is amended by striking "JANUARY 1, 2015" and inserting "JANUARY 1, 2017".

(2) The heading for clause (ii) of section 168(k)(2)(B) of such Code is amended by striking "PRE-JANUARY 1, 2015" and inserting "PRE-JANUARY 1, 2017".

(3) Section 168(k)(4)(D)(iii)(II) of such Code is amended by striking "January 1, 2015" and inserting "January 1, 2017".

(4) Section 168(l)(4) of such Code is amended by striking "and" at the end of subparagraph (A), by redesignating subparagraph (B) as subparagraph (C), and by inserting after subparagraph (A) the following new subparagraph:

"(B) by substituting 'January 1, 2015' for 'January 1, 2017' in clause (i) thereof, and".

(5) Clause (ii) of section 168(n)(2)(C) of such Code is amended by striking "January 1, 2015" and inserting "January 1, 2017".

(6) Subparagraph (D) of section 1400L(b)(2) of such Code is amended by striking "January 1, 2015" and inserting "January 1, 2017".

(7) Subparagraph (B) of section 1400N(d)(3) of such Code is amended by striking "January 1, 2015" and inserting "January 1, 2017".

(d) ELECTION TO ACCELERATE THE AMT CREDIT IN LIEU OF BONUS DEPRECIATION.—Paragraph (4) of section 168(k) of such Code is amended by adding at the end the following new subparagraph:

"(L) SPECIAL RULES FOR ROUND 5 EXTENSION PROPERTY.—

"(i) IN GENERAL.—In the case of any round 5 extension property, in applying this paragraph to any taxpayer, the limitation described in subparagraph (B)(i) and the business credit increase amount under subparagraph (E)(iii) thereof shall not apply, and the bonus depreciation amount, maximum amount, and maximum increase amount—

"(I) shall be computed separately from amounts computed with respect to eligible qualified property which is not round 5 extension property, and

"(II) shall be computed separately with respect to round 5 extension property placed in service before January 1, 2016 (January 1, 2017, in the case of property described in subparagraph (B) or (C) of paragraph (2)) and with respect to other round 5 extension property.

"(ii) ELECTION.—

"(I) A taxpayer who has an election in effect under this paragraph for round 4 extension property shall be treated as having an election in effect for round 5 extension property unless the taxpayer elects to not have this paragraph apply to round 5 extension property.

"(II) A taxpayer who does not have an election in effect under this paragraph for round 4 extension property may elect to have this paragraph apply to round 5 extension property.

“(iii) ROUND 5 EXTENSION PROPERTY.—For purposes of this subparagraph, the term ‘round 5 extension property’ means property which is eligible qualified property solely by reason of the extension of the application of the special allowance under paragraph (1) pursuant to the amendments made by section 1 of the Act entitled ‘an Act to amend the Internal Revenue Code of 1986 to increase the limitation on the election to accelerate the AMT credit in lieu of bonus depreciation for 2015 and 2016, and for other purposes’ (and the application of such extension to this paragraph pursuant to the amendment made by section 1(d) of such Act).

“(iv) SPECIAL MAXIMUM INCREASE AMOUNT.—In the case of round 5 extension property placed in service by a corporation, subparagraph (C)(iii) shall not apply and the term ‘maximum increase amount' shall mean an amount equal to the lesser of—

"(I) 50 percent of the minimum tax credit under section 53(b) for the first taxable year ending after December 31, 2014, or

"(II) the minimum tax credit under section 53(b) for such taxable year determined by taking into account only the adjusted net minimum tax for taxable years ending before January 1, 2015 (determined by treating credits as allowed on a first-in, first-out basis).".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2014, in taxable years ending after such date.

○