

115TH CONGRESS
1ST SESSION

S. 602

To amend the Internal Revenue Code of 1986 to include automated fire sprinkler system retrofits as section 179 property and classify certain automated fire sprinkler system retrofits as 15-year property for purposes of depreciation.

IN THE SENATE OF THE UNITED STATES

MARCH 9, 2017

Ms. COLLINS (for herself and Mr. CARPER) 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 include automated fire sprinkler system retrofits as section 179 property and classify certain automated fire sprinkler system retrofits as 15-year property for purposes of depreciation.

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 “Fire Sprinkler Incen-
5 tive Act”.

1 **SEC. 2. AUTOMATED FIRE SPRINKLER SYSTEM RETROFITS**
 2 **TREATED AS SECTION 179 PROPERTY.**

3 (a) IN GENERAL.—Section 179(d)(1)(B) of the Inter-
 4 nal Revenue Code of 1986 is amended to read as follows:

5 “(B) which is—

6 “(i) automated fire sprinkler system
 7 retrofit property (as defined in section
 8 168(i)(20) determined without regard to
 9 subparagraph (A)(i)(II) thereof), or

10 “(ii) section 1245 property (as defined
 11 in section 1245(a)(3)), and”.

12 (b) EFFECTIVE DATE.—The amendments made by
 13 this section shall apply to property placed in service after
 14 the date of the enactment of this Act.

15 **SEC. 3. CLASSIFICATION OF CERTAIN AUTOMATED FIRE**
 16 **SPRINKLER SYSTEM RETROFITS.**

17 (a) TREATMENT AS 15-YEAR PROPERTY.—Section
 18 168(e)(3)(E) of the Internal Revenue Code of 1986 is
 19 amended by striking “and” at the end of clause (viii), by
 20 striking the period at the end of clause (ix) and inserting
 21 “, and”, and by adding at the end the following:

22 “(x) any automated fire sprinkler sys-
 23 tem retrofit property.”.

24 (b) APPLICABLE DEPRECIATION METHOD.—Section
 25 168(b)(3) of such Code is amended by adding at the end
 26 the following new subparagraph:

1 “(J) Any automated fire sprinkler system
2 retrofit property.”.

3 (c) ALTERNATIVE SYSTEM.—The table contained in
4 section 168(g)(3)(B) of such Code is amended by inserting
5 after the item relating to subparagraph (E)(ix) the fol-
6 lowing:

“ (E)(x) 39”.

7 (d) DEFINITION OF AUTOMATED FIRE SPRINKLER
8 SYSTEM RETROFIT PROPERTY.—Section 168(i) of such
9 Code is amended by adding at the end the following new
10 paragraph:

11 “(20) AUTOMATED FIRE SPRINKLER SYSTEM
12 RETROFIT PROPERTY.—

13 “(A) IN GENERAL.—The term ‘automated
14 fire sprinkler system retrofit property’ means
15 any property which comprises a sprinkler sys-
16 tem which—

17 “(i) is installed in a building or struc-
18 ture which—

19 “(I) was placed in service before
20 the date on which such sprinkler sys-
21 tem is placed in service, and

22 “(II) has an occupiable story the
23 floor of which is more than 75 feet
24 above the lowest level of fire depart-
25 ment vehicle access, and

1 “(ii) is classified under one or more of
2 the following:

3 “(I) National Fire Protection As-
4 sociation 13, Installation of Sprinkler
5 Systems.

6 “(II) National Fire Protection
7 Association 13 D, Installation of
8 Sprinkler Systems in One and Two
9 Family Dwellings and Manufactured
10 Homes or International Residential
11 Code Section P2904, Dwelling Unit
12 Fire Sprinkler Systems.

13 “(III) National Fire Protection
14 Association 13 R, Installation of
15 Sprinkler Systems in Residential Oc-
16 cupancies up to and Including Four
17 Stories in Height.

18 “(B) EXCEPTION FOR CERTAIN INSTALLA-
19 TIONS REQUIRED BY LAW.—Such term shall not
20 include any sprinkler system the installation of
21 which is required by State or local law by rea-
22 son of the degree of additions or improvements
23 made to such building or structure.”.

1 (e) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to property placed in service after
3 the date of the enactment of this Act.

