^{104TH CONGRESS} 2D SESSION **H. R. 3124**

To amend the Internal Revenue Code of 1986 to increase the amount of depreciable business assets which may be expensed, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

March 20, 1996

Mr. ENGLISH of Pennsylvania (for himself, Mr. HERGER, Mr. FOX of Pennsylvania, Mr. BREWSTER, Mr. STOCKMAN, Mr. HOUGHTON, Mr. CANADY of Florida, and Mr. BARR of Georgia) 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 increase the amount of depreciable business assets which may be expensed, 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. INCREASE IN EXPENSE TREATMENT FOR 4 SMALL BUSINESSES.

5 (a) GENERAL RULE.—Paragraph (1) of section 6 179(b) of the Internal Revenue Code of 1986 (relating to 7 dollar limitation) is amended by striking "\$17,500" and 8 inserting "\$50,000". (b) INCREASE IN AMOUNT OF SECTION 179 PROP ERTY AT WHICH PHASEOUT BEGINS.—Paragraph (2) of
 section 179(b) of such Code (relating to reduction in limi tation) is amended by striking "\$200,000" and inserting
 "\$300,000".

6 (c) INCREASE IN SECTION 280F LIMITATION ON
7 AUTOMOBILES WHICH ARE EXPENSES UNDER SECTION
8 179.—

9 (1) Paragraph (1) of section 280F(d) of such
10 Code is amended to read as follows:

11 "(1) COORDINATION WITH SECTION 179.—

"(A) IN GENERAL.—Except as provided in 12 13 subparagraph (B), any deduction allowable 14 under section 179 with respect to any listed 15 property shall be subject to the limitations of 16 subsections (a) and (b), and the limitation of 17 paragraph (3) of this subsection, in the same 18 manner as if it were a depreciation deduction 19 allowable under section 168.

20 "(B) SPECIAL RULE FOR AUTOMOBILES.—
21 In the case of any deduction allowable under
22 section 179 with respect to a passenger auto23 mobile, the limitation under subsection (a) for
24 the 1st taxable year of the recovery period shall
25 be increased by \$15,300."

1	(2) Subparagraph (A) of section $280F(d)(7)$ of
2	such Code is amended—
3	(A) by striking "subsection (a)" and in-
4	serting "subsections (a) and $(d)(1)(B)$ ", and
5	(B) by striking "such subsection" and in-
6	serting "such subsections".
7	(3) Subclause (II) of section $280F(d)(7)(B)(i)$
8	of such Code is amended by inserting "(October of
9	1995 in the case of the dollar amount contained in
10	subsection (d)(1)(B))" after "October of 1987".
11	(d) Effective Date.—The amendments made by
12	this section shall apply to property placed in service in
13	taxable years beginning after December 31, 1995.