

106TH CONGRESS
1ST SESSION

H. R. 1560

To amend the Internal Revenue Code of 1986 to establish a 2-year recovery period for depreciation of computers and peripheral equipment used in manufacturing.

IN THE HOUSE OF REPRESENTATIVES

APRIL 26, 1999

Mr. COLLINS (for himself, Mr. CARDIN, Mrs. EMERSON, Mr. HYDE, Mr. RAMSTAD, Ms. DUNN, and Mr. WELLER) 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 establish a 2-year recovery period for depreciation of computers and peripheral equipment used in manufacturing.

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 “Computer Equipment
5 Common Sense Depreciation Act”.

1 **SEC. 2. 2-YEAR APPLICABLE RECOVERY PERIOD FOR DE-**
 2 **PRECIATION OF COMPUTERS AND PERIPH-**
 3 **ERAL EQUIPMENT USED IN MANUFAC-**
 4 **TURING.**

5 (a) 2-YEAR APPLICABLE RECOVERY PERIOD.—

6 (1) IN GENERAL.—Paragraph (1) of section
 7 168(c) of the Internal Revenue Code of 1986 (relat-
 8 ing to applicable recovery period) is amended by in-
 9 serting before the first item in the table the fol-
 10 lowing new item:

“Computers or peripheral equipment used in manufac- turing	2 years”.
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11 (2) CONFORMING AMENDMENT.—Clause (iv) of
 12 section 168(e)(3)(B) of such Code (relating to 5-
 13 year property) is amended by inserting “(except
 14 computers or peripheral equipment used in manufac-
 15 turing)” before the comma.

16 (b) 2-YEAR RECOVERY PERIOD UNDER ALTER-
 17 NATIVE DEPRECIATION SYSTEM FOR TAX-EXEMPT USE
 18 PROPERTY, ETC.—Subparagraph (C) of section 168(g)(3)
 19 of such Code (relating to alternative depreciation system
 20 for certain property) is amended to read as follows:

21 “(C) QUALIFIED TECHNOLOGICAL EQUIP-
 22 MENT.—

23 “(i) IN GENERAL.—Except as pro-
 24 vided in clause (ii), in the case of any

1 qualified technological equipment, the re-
2 covery period used for purposes of para-
3 graph (2) shall be 5 years.

4 “(ii) COMPUTERS OR PERIPHERAL
5 EQUIPMENT USED IN MANUFACTURING.—
6 In the case of any computer or peripheral
7 equipment used in manufacturing, the re-
8 covery period used for purposes of para-
9 graph (2) shall be 2 years.”

10 (c) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to property placed in service after
12 December 31, 1999.

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