

106TH CONGRESS
2D SESSION

H. R. 4279

To amend the Internal Revenue Code of 1986 to allow all computers to be expensed.

IN THE HOUSE OF REPRESENTATIVES

APRIL 13, 2000

Mr. WELLER (for himself, Mr. DAVIS of Virginia, Mr. TAUZIN, Ms. DUNN, Mr. GOODLATTE, Mrs. MORELLA, Mr. CHAMBLISS, Mr. SWEENEY, and Mr. ISAKSON) 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 allow all computers to be expensed.

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 Depreciation
5 Reform Act of 2000”.

6 **SEC. 2. EXPENSING OF COMPUTERS.**

7 (a) IN GENERAL.—Part VI of subchapter B of chap-
8 ter 1 of the Internal Revenue Code of 1986 is amended
9 by inserting after section 179A the following new section:

1 **“SEC. 179B. DEDUCTION FOR COMPUTERS.**

2 “(a) ALLOWANCE OF DEDUCTION.—There shall be
3 allowed as a deduction an amount equal to the cost of any
4 computer (to which section 168 applies) which is placed
5 in service during the taxable year and which is for use
6 in the active conduct of a trade or business.

7 “(b) COMPUTER.—For purposes of this section, the
8 term ‘computer’ means any computer or peripheral equip-
9 ment (as defined in section 168(i)(2)(B)).

10 “(c) BASIS REDUCTION.—For purposes of this title,
11 the basis of any computer shall be reduced by the cost
12 of such computer taken into account under subsection (a).

13 “(d) BUSINESS USE REQUIRED FOR AT LEAST 1
14 YEAR.—The Secretary shall, by regulations, provide for
15 recapturing the benefit under any deduction allowable
16 under subsection (a) with respect to any computer which
17 is not used predominantly in a trade or business at any
18 time during the 1-year period beginning on the date that
19 the computer is placed in service.”

20 (b) CONFORMING AMENDMENTS.—

21 (1) Paragraph (1) of section 263(a) of such
22 Code is amended by striking “or” at the end of sub-
23 paragraph (G), by striking the period at the end of
24 subparagraph (H) and inserting “, or”, and by add-
25 ing at the end the following new subparagraph:

1 “(I) expenditures for which a deduction is
2 allowed under section 179B.”

3 (2) Subparagraph (B) of section 312(k)(3) of
4 such Code is amended by striking “or 179A” each
5 place it appears and inserting “, 179A, or 179B”.

6 (3) Subsection (a) of section 1016 of such Code
7 is amended by striking “and” at the end of para-
8 graph (26), by striking the period at the end of
9 paragraph (27) and inserting “, and”, and by add-
10 ing at the end the following new paragraph:

11 “(28) to the extent provided in section
12 179A(e).”

13 (c) EFFECTIVE DATE.—The amendments made by
14 this section shall apply to computers purchased after the
15 date of the enactment of this Act.

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