

106TH CONGRESS  
2D SESSION

# H. R. 4916

To amend the Internal Revenue Code of 1986 to increase the aggregate cost of certain reusable pallets and containers and related property which may be expensed under section 179.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 20, 2000

Mr. ROHRABACHER (for himself and Mr. MATSUI) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to increase the aggregate cost of certain reusable pallets and containers and related property which may be expensed under section 179.

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 “Landfill Reduction Act  
5       of 2000”.

6       **SEC. 2. FINDINGS.**

7       Congress finds that:

1           (1) While most forms of pollution are steadily  
2 being reduced in the United States, solid waste dis-  
3 cards are projected to increase by 10 percent be-  
4 tween 2000 and 2010, based on Environmental Pro-  
5 tection Agency data.

6           (2) American consumers and businesses spend  
7 an estimated \$1 billion annually to dispose of card-  
8 board boxes and low quality shipping pallets.

9           (3) The cost of disposing of municipal solid  
10 waste has been increasing at a 7 percent annual  
11 rate.

12           (4) There are regional shortages of solid waste  
13 disposal capacity, and siting new facilities is conten-  
14 tious for local governments. These conditions will be  
15 exacerbated by the growth of solid waste discards.

16           (5) There are already spirited interstate dis-  
17 putes, expressed in litigation and legislation, regard-  
18 ing efforts to regulate interstate shipment of solid  
19 waste.

20           (6) Dozens of other nations are pursuing regu-  
21 latory approaches and surtaxes to reduce the  
22 amount of solid waste from packaging.

23           (7) The Pollution Prevention Act of 1990 estab-  
24 lishes a hierarchy for handling waste, with source re-  
25 duction and reuse being preferable to recycling.

1           (8) It is in the national environmental and eco-  
2           nomic interest to reaffirm and emphasize the Pollu-  
3           tion Prevention Act of 1990's priority on source re-  
4           duction and reuse, without resorting to new Federal  
5           regulatory requirements or new Federal taxes.

6           (9) Emerging industry has the means to dra-  
7           matically reduce the amount of packaging waste,  
8           thereby conserving solid waste disposal capacity, im-  
9           proving the environment, and reducing unnecessary  
10          costs to consumers, local governments, and business  
11          alike.

12 **SEC. 3. PURPOSE.**

13          The purpose of this Act is to provide tax incentives  
14          to encourage the utilization of reusable wooden and plastic  
15          pallets and plastic containers in order to fulfill the goals  
16          of the Pollution Prevention Act of 1990, improve national  
17          environmental quality through reduced solid waste, in-  
18          crease economic productivity by reducing the costs associ-  
19          ated with waste disposal, reduce inflationary pressures as-  
20          sociated with the escalating cost of waste disposal, reduce  
21          friction among the States concerning interstate solid waste  
22          transportation, and provide a cost-efficient nonregulatory  
23          model for addressing environmental problems.

1 **SEC. 4. INCREASE IN AGGREGATE COST OF REUSABLE PAL-**  
2 **LETS AND CONTAINERS AND CERTAIN RE-**  
3 **LATED PROPERTY WHICH MAY BE EXPENSED.**

4 (a) IN GENERAL.—Section 179 of the Internal Rev-  
5 enue Code of 1986 (relating to election to expense certain  
6 depreciable business assets) is amended by adding at the  
7 end the following new subsection:

8 “(e) INCREASED EXPENSING FOR REUSABLE PAL-  
9 LETS AND CONTAINERS AND CERTAIN RELATED PROP-  
10 ERTY.—

11 “(1) IN GENERAL.—The limitation under sub-  
12 section (b)(1) (after the application of paragraph (2)  
13 and before the application of paragraph (3) of such  
14 subsection) shall not be less than an amount equal  
15 to the lesser of—

16 “(A) \$500,000, or

17 “(B) the cost of section 179 property  
18 which is qualified reusable pallet and container  
19 property placed in service during the taxable  
20 year.

21 “(2) QUALIFIED REUSABLE PALLET AND CON-  
22 TAINER PROPERTY.—For purposes of this  
23 subsection—

24 “(A) IN GENERAL.—The term ‘qualified  
25 reusable pallet and container property’ means—

1           “(i) property designed exclusively to  
2 manufacture reusable pallet and container  
3 property,

4           “(ii) reusable pallet and container  
5 property used exclusively to transport  
6 items manufactured or produced by the  
7 taxpayer but only if—

8                   “(I) such transportation is under  
9 an arrangement for the return of such  
10 property to the taxpayer for reuse,  
11 and

12                   “(II) such property does not re-  
13 place other reusable pallet and con-  
14 tainer property,

15           “(iii) property designed exclusively for  
16 purposes of inspecting, repairing, cleaning,  
17 or maintaining reusable pallet and con-  
18 tainer property and used exclusively for  
19 such purposes with respect to reusable pal-  
20 let and container property owned or leased  
21 by the taxpayer,

22           “(iv) property designed exclusively to  
23 accommodate the use, or enhance the effi-  
24 ciency, of any reusable pallet and container  
25 property associated with harvesting, pack-

1           ing, handling, or storage of agricultural  
2           products, and

3                   “(v) property which modifies a display  
4           for the retail sale of an item exclusively for  
5           purposes of permitting such item to be dis-  
6           played in the reusable pallet and container  
7           property in which such item was trans-  
8           ported.

9                   “(B) SUBSECTION NOT TO APPLY TO CER-  
10          TAIN VEHICLES.—The term ‘qualified reusable  
11          pallet and container property’ shall not include  
12          automobiles, vessels, aircraft, trucks, forklifts,  
13          pallet jacks, or rolling stock or other similar  
14          property.

15                   “(3) REUSABLE PALLET AND CONTAINER PROP-  
16          ERTY.—For purposes of this subsection, the term  
17          ‘reusable pallet and container property’ means any  
18          wooden or plastic pallet or plastic crate which is  
19          under an arrangement for the repeated return of  
20          such property to its initial purchaser, for long-term  
21          reuse.

22                   “(4) TERMINATION.—This subsection shall not  
23          apply to any taxable year beginning after December  
24          31, 2008.”.

1           (b) EFFECTIVE DATE.—The amendment made by  
2 this section shall apply to taxable years beginning after  
3 the date of the enactment of this Act.

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