

107TH CONGRESS
1ST SESSION

H. R. 2419

To amend the Internal Revenue Code of 1986 to provide a business credit
against income for the purchase of fishing safety equipment.

IN THE HOUSE OF REPRESENTATIVES

JUNE 28, 2001

Mr. SIMMONS (for himself, Mrs. CHRISTENSEN, Mr. ABERCROMBIE, Mr. GRUCCI, Mr. ALLEN, Mr. BAIRD, Mr. JONES of North Carolina, Mr. FARR of California, Mr. GREEN of Wisconsin, and Mr. FRANK) 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 provide
a business credit against income for the purchase of
fishing safety equipment.

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 “Commercial Fishermen
5 Safety Act of 2001”.

1 **SEC. 2. CREDIT FOR PURCHASE OF FISHING SAFETY**
2 **EQUIPMENT.**

3 (a) IN GENERAL.—Subpart D of part IV of sub-
4 chapter A of chapter 1 of the Internal Revenue Code of
5 1986 (relating to business-related credits) is amended by
6 adding at the end the following new section:

7 **“SEC. 45G. FISHING SAFETY EQUIPMENT CREDIT.**

8 “(a) GENERAL RULE.—For purposes of section 38,
9 in the case of an eligible taxpayer, the fishing safety equip-
10 ment credit determined under this section for the taxable
11 year is 75 percent of the amount of qualified fishing safety
12 equipment expenses paid or incurred by the taxpayer dur-
13 ing the taxable year.

14 “(b) LIMITATION ON MAXIMUM CREDIT.—The credit
15 allowed under subsection (a) with respect to a taxpayer
16 for the taxable year shall not exceed \$1,500.

17 “(c) ELIGIBLE TAXPAYER.—For purposes of this sec-
18 tion, the term ‘eligible taxpayer’ means a taxpayer en-
19 gaged in a fishing business.

20 “(d) DEFINITIONS.—For purposes of this section—

21 “(1) FISHING BUSINESS.—The term ‘fishing
22 business’ means the conduct of commercial fishing
23 as defined in section 3 of the Magnuson-Stevens
24 Fishery Conservation and Management Act (16
25 U.S.C. 1802).

1 “(2) QUALIFIED FISHING SAFETY EQUIPMENT
2 EXPENSES.—

3 “(A) IN GENERAL.—The term ‘qualified
4 fishing safety equipment expenses’ means an
5 amount paid or incurred for fishing safety
6 equipment for use by the taxpayer in connection
7 with a fishing business.

8 “(B) FISHING SAFETY EQUIPMENT.—The
9 term ‘fishing safety equipment’ means—

10 “(i) lifesaving equipment required to
11 be carried by a vessel under section 4502
12 of title 46, United States Code, and

13 “(ii) any maintenance of such equip-
14 ment required under such section.

15 “(e) SPECIAL RULES.—

16 “(1) IN GENERAL.—Rules similar to the rules
17 of subsections (c), (d), and (e) of section 52 shall
18 apply for purposes of this section.

19 “(2) AGGREGATION RULES.—All persons treat-
20 ed as a single employer under subsection (a) or (b)
21 of section 52 or subsection (m) or (o) of section 414
22 shall be treated as one person for purposes of sub-
23 section (a).

24 “(f) DENIAL OF DOUBLE BENEFIT.—No deduction
25 shall be allowed under this chapter (other than a credit

1 under this section) for any amount taken into account in
 2 determining the credit under this section.

3 “(g) BASIS ADJUSTMENT.—For purposes of this sub-
 4 title, if a credit is allowed under this section with respect
 5 to any equipment, the basis of such equipment shall be
 6 reduced by the amount of the credit so allowed.”.

7 (b) LIMITATION ON CARRYBACK.—Section 39(d) of
 8 the Internal Revenue Code of 1986 (relating to transition
 9 rules) is amended by adding at the end the following new
 10 paragraph:

11 “(11) NO CARRYBACK OF FISHING SAFETY
 12 EQUIPMENT CREDIT BEFORE EFFECTIVE DATE.—No
 13 portion of the unused business credit for any taxable
 14 year which is attributable to the fishing safety
 15 equipment credit determined under section 45G may
 16 be carried to a taxable year ending before the date
 17 of the enactment of section 45G.”.

18 (c) CONFORMING AMENDMENTS.—

19 (1) Section 38(b) of the Internal Revenue Code
 20 of 1986 (relating to general business credit) is
 21 amended by striking “plus” at the end of paragraph
 22 (14), by striking the period at the end of paragraph
 23 (15) and inserting “, plus”, and by adding at the
 24 end the following new paragraph:

1 “(16) the fishing safety equipment credit deter-
2 mined under section 45G(a).”.

3 (2) Subsection (a) of section 1016 of such Code
4 is amended by striking “and” at the end of para-
5 graph (27), by striking the period at the end of
6 paragraph (28) and inserting “, and”, and by add-
7 ing at the end the following new paragraph:

8 “(29) in the case of equipment with respect to
9 which a credit was allowed under section 45G, to the
10 extent provided in section 45G(g).”.

11 (d) CLERICAL AMENDMENT.—The table of sections
12 for subpart D of part IV of subchapter A of chapter 1
13 of the Internal Revenue Code of 1986 is amended by in-
14 serting after the item relating to section 45F the following
15 new item:

“Sec. 45G. Fishing safety equipment credit.”.

16 (e) EFFECTIVE DATE.—The amendments made by
17 this section shall apply to taxable years beginning after
18 December 31, 2001.

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