

110TH CONGRESS
2D SESSION

H. R. 4995

To amend the Internal Revenue Code of 1986 to reduce corporate marginal income tax rates, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 16, 2008

Mr. CANTOR (for himself, Mr. HENSARLING, Mr. BLUNT, Mr. CAMPBELL of California, Ms. GRANGER, Mr. JORDAN of Ohio, Mr. MCHENRY, Mrs. BACHMANN, Mr. HERGER, Mr. CHABOT, Mr. PRICE of Georgia, Mr. FLAKE, Mr. FEENEY, Mr. DAVID DAVIS of Tennessee, Mr. BROWN of South Carolina, Mr. BARRETT of South Carolina, Mr. GARRETT of New Jersey, Mr. DOOLITTLE, Mr. LAMBORN, Mr. AKIN, Mr. WELDON of Florida, Mr. KINGSTON, Mr. PITTS, Mr. MARCHANT, Mr. GINGREY, Mr. SOUDER, Mr. GOODE, Ms. FOXX, Mr. ROSKAM, Mr. KUHL of New York, Mr. WALBERG, Mr. BISHOP of Utah, Mr. FRANKS of Arizona, Mr. KING of Iowa, and Mr. PENCE) 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 reduce corporate marginal income tax rates, 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. SHORT TITLE.**

4 This Act may be cited as the “Middle Class Jobs Pro-
5 tection Act of 2008”.

1 **SEC. 2. REDUCTION IN CORPORATE MARGINAL INCOME**
2 **TAX RATES.**

3 (a) GENERAL RULE.—Paragraph (1) of section 11(b)
4 of the Internal Revenue Code of 1986 is amended—

5 (1) by inserting “and” at the end of subpara-
6 graph (A),

7 (2) by striking “but does not exceed \$75,000,”
8 in subparagraph (B) and inserting a period,

9 (3) by striking subparagraphs (C) and (D), and

10 (4) by striking the last 2 sentences.

11 (b) PERSONAL SERVICE CORPORATIONS.—Para-
12 graph (2) of section 11(b) of such Code is amended by
13 striking “35 percent” and inserting “25 percent”.

14 (c) CONFORMING AMENDMENTS.—Paragraphs (1)
15 and (2) of section 1445(e) of such Code are each amended
16 by striking “35 percent” and inserting “25 percent”.

17 (d) EFFECTIVE DATE.—The amendments made by
18 this section shall apply to taxable years beginning after
19 the date of the enactment of this Act, except that the
20 amendments made by subsection (c) shall take effect on
21 such date.

22 **SEC. 3. TEMPORARY INCREASE IN LIMITATION ON EXPENS-**
23 **ING CERTAIN DEPRECIABLE BUSINESS AS-**
24 **SETS.**

25 (a) DOLLAR LIMITATION.—Paragraph (1) of section
26 179(b) of the Internal Revenue Code of 1986 (relating to

1 limitations) is amended by striking “\$125,000 in the case
2 of taxable years beginning after 2006 and before 2011”
3 and inserting “\$125,000 in the case of taxable years be-
4 ginning in 2007 or 2010 and \$250,000 in the case of tax-
5 able years beginning in 2008 or 2009”.

6 (b) REDUCTION IN LIMITATION.—Paragraph (2) of
7 section 179(b) of such Code (relating to limitations) is
8 amended by striking “\$500,000 in the case of taxable
9 years beginning after 2006 and before 2011” and insert-
10 ing “\$500,000 in the case of taxable years beginning in
11 2007 or 2010 and \$1,000,000 in the case of taxable years
12 beginning in 2008 or 2009”.

13 (c) EFFECTIVE DATE.—The amendments made by
14 this section shall apply to taxable years beginning after
15 December 31, 2007.

16 **SEC. 4. 50 PERCENT ALLOWANCE FOR DEPRECIATION FOR**
17 **CERTAIN PROPERTY ACQUIRED DURING 2008**
18 **AND 2009.**

19 (a) IN GENERAL.—Paragraph (4) of section 168(k)
20 of the Internal Revenue Code of 1986 (relating to 50-per-
21 cent bonus for certain property) is amended—

22 (1) by striking “May 5, 2003” each place it ap-
23 pears and inserting “December 31, 2007”,

24 (2) by striking “January 1, 2005” each place
25 it appears and inserting “January 1, 2010”,

1 (3) by striking “May 6, 2003” in subparagraph
2 (B)(ii)(I) and inserting “January 1, 2008”,

3 (4) by striking “January 1, 2006” in subpara-
4 graph (B)(iii) and inserting “January 1, 2011”, and

5 (5) by striking “OF 30-PERCENT BONUS” in the
6 heading for subparagraph (E).

7 (b) EFFECTIVE DATE.—

8 (1) IN GENERAL.—The amendments made by
9 this section shall apply to property placed in service
10 in taxable years beginning after December 31, 2007.

11 (2) EXCEPTION FOR CERTAIN PROPERTY.—The
12 amendments made by this section shall not apply to
13 any property to which section 105 of the Gulf Op-
14 portunity Zone Act of 2005 applies.

15 **SEC. 5. 5-YEAR CARRYBACK FOR CERTAIN NET OPERATING**
16 **LOSSES.**

17 (a) IN GENERAL.—Subsection (H) of section
18 172(b)(1) of the Internal Revenue Code of 1986 is amend-
19 ed by inserting “or beginning during 2008 or 2009,” after
20 “2002”.

21 (b) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to net operating losses for taxable
23 years beginning after December 31, 2007.

1 **SEC. 6. 3-YEAR CARRYBACK FOR CERTAIN CREDITS.**

2 (a) **GENERAL BUSINESS CREDIT.**—Subsection (a) of
3 section 39 of the Internal Revenue Code of 1986 is amend-
4 ed by adding at the end the following new paragraph:

5 “(4) **SPECIAL RULE FOR 2008 AND 2009.**—In the
6 case of an excess described in paragraph (1) arising
7 in a taxable year beginning in 2008 or 2009—

8 “(A) paragraph (1)(A) shall be applied by
9 substituting ‘3 taxable years’ for ‘taxable year’,

10 “(B) paragraph (2)(A) shall be applied by
11 substituting ‘24 taxable years’ for ‘21 taxable
12 years’, and

13 “(C) paragraph (2)(B) shall be applied by
14 substituting ‘23 taxable years’ for ‘20 taxable
15 years’.”.

16 (b) **FOREIGN TAX CREDIT.**—Section 904(c) of the
17 Internal Revenue Code of 1986 is amended by adding at
18 the end thereof the following: “In the case of taxable years
19 beginning in 2008 or 2009, the first sentence of this sub-
20 section shall, at the election of the taxpayer, be applied
21 by substituting ‘any of the three preceding taxable years’
22 for ‘the first preceding taxable year’.”.

23 (c) **EFFECTIVE DATE.**—The amendments made by
24 this section shall apply to credits arising in taxable years
25 beginning after December 31, 2007.