

110TH CONGRESS  
2D SESSION

# H. R. 7043

To amend the Internal Revenue Code of 1986 to provide for expensing of installing underground electric lines within the Hurricane Gustav disaster area, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 24, 2008

Mr. CAZAYOUX introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend the Internal Revenue Code of 1986 to provide for expensing of installing underground electric lines within the Hurricane Gustav disaster area, 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,*

1 **SECTION 1. DEDUCTION FOR UNDERGROUND PUBLIC UTIL-**  
2 **ITY PROPERTY FOR FURNISHING ELEC-**  
3 **TRICITY WITHIN THE HURRICANE GUSTAV**  
4 **DISASTER AREA.**

5 (a) IN GENERAL.—Part VI of subchapter B of chap-  
6 ter 1 of the Internal Revenue Code of 1986 is amended  
7 by adding at the end the following new section:

8 **“SEC. 179F. DEDUCTION FOR UNDERGROUND PUBLIC UTIL-**  
9 **ITY PROPERTY FOR FURNISHING ELEC-**  
10 **TRICITY DEDUCTION WITHIN THE HURRI-**  
11 **CANE GUSTAV DISASTER AREA.**

12 “(a) IN GENERAL.—A taxpayer may elect to treat the  
13 cost of qualified public utility property placed in service  
14 during the taxable year as an expense which is not charge-  
15 able to capital account. Any cost so treated shall be al-  
16 lowed as a deduction for the taxable year in which such  
17 property is placed in service.

18 “(b) ELECTION.—

19 “(1) IN GENERAL.—An election under this sec-  
20 tion for any taxable year shall be made on the tax-  
21 payer’s return of the tax imposed by this chapter for  
22 the taxable year. Such election shall specify the  
23 property to which the election applies and shall be  
24 made in such manner as the Secretary may by regu-  
25 lations prescribe.

1           “(2) ELECTION IRREVOCABLE.—Any election  
2           made under this section may not be revoked except  
3           with the consent of the Secretary.

4           “(c) DEFINITIONS.—For purposes of this section—

5           “(1) QUALIFIED PUBLIC UTILITY PROPERTY.—

6           The term ‘qualified public utility property’ means  
7           public utility property (as defined in section  
8           168(i)(10)) used for the furnishing of electrical en-  
9           ergy—

10           “(A) with respect to which depreciation (or  
11           amortization in lieu of depreciation) is allow-  
12           able, and

13           “(B) which is installed underground within  
14           the area determined by the President to war-  
15           rant assistance from the Federal Government  
16           under the Robert T. Stafford Disaster Relief  
17           and Emergency Assistance Act by reason of  
18           Hurricane Gustav.

19           “(d) ELECTION TO ALLOCATE DEDUCTION TO COOP-  
20           ERATIVE OWNER.—For purposes of this section, rules  
21           similar to the rules of section 179C(g) shall apply.

22           “(e) BASIS REDUCTION.—For purposes of this sub-  
23           title, if a deduction is allowed under this section with re-  
24           spect to property, the basis of such property shall be re-  
25           duced by the amount of the deduction so allowed.

1 “(f) TERMINATION.—This section shall not apply to  
2 property placed in service after December 31, 2009.”.

3 (b) CONFORMING AMENDMENTS.—

4 (1) Section 263(a)(1) of such Code is amended  
5 by striking “or” at the end of subparagraph (K), by  
6 striking the period at the end of subparagraph (L)  
7 and inserting “, or”, and by inserting after subpara-  
8 graph (L) the following new subparagraph:

9 “(M) expenditures for which a deduction is  
10 allowed under section 179F.”.

11 (2) Section 312(k)(3)(B) of such Code is  
12 amended by striking “or 179E” each place it ap-  
13 pears in the heading and text thereof and inserting  
14 “179E, or 179F”.

15 (3) Section 1016(a) of such Code is amended  
16 by striking “and” at the end of paragraph (35), by  
17 striking the period at the end of paragraph (36) and  
18 inserting “, and”, and by inserting after paragraph  
19 (36) the following new paragraph:

20 “(37) to the extent provided in section  
21 179F(e).”.

22 (4) Paragraphs (2)(C) and (3)(C) of section  
23 1245(a) are each amended by inserting “179F,”  
24 after “179E,”.

1           (5) The table of sections for part VI of sub-  
2           chapter B of chapter 1 of such Code is amended by  
3           adding at the end the following new item:

          “Sec. 179F. Deduction for underground public utility property for furnishing  
          electricity deduction within the Hurricane Gustav disaster  
          area.”.

4           (c) EFFECTIVE DATE.—The amendments made by  
5           this section shall apply to taxable years beginning after  
6           December 31, 2008.

7           **SEC. 2. STUDY OF ELECTRIC GRID FAILURES AFFECTING**  
8                           **LOUISIANA FOLLOWING HURRICANE GUSTAV.**

9           Not later than 180 days after the date of the enact-  
10          ment of this Act, the Comptroller General of the United  
11          States shall—

12               (1) conduct a study of the electric grid failures  
13               that led to the long-lasting, extensive power outages  
14               that affected Louisiana following Hurricane Gustav,  
15               and

16               (2) submit a report containing the findings and  
17               conclusions of such study to the Congress.

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