

111TH CONGRESS
1ST SESSION

H. R. 1194

To amend the Internal Revenue Code of 1986 to classify automatic fire sprinkler systems as 5-year property for purposes of depreciation.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 25, 2009

Mr. LANGEVIN (for himself, Mr. CANTOR, Mr. ROSKAM, Mr. LOBIONDO, Mr. GRIJALVA, Mr. PAUL, Mr. GUTIERREZ, Ms. SUTTON, Mr. YOUNG of Alaska, Mr. BISHOP of Georgia, Mr. MCGOVERN, Mr. HOLT, Mr. MORAN of Virginia, Mr. SMITH of New Jersey, Mr. HONDA, Mr. HOEKSTRA, Mr. HINCHEY, Mr. SHERMAN, Mr. ROHRABACHER, Mr. CUMMINGS, Mr. SCHIFF, Mr. BISHOP of New York, Ms. SCHWARTZ, Mr. PAYNE, Mr. HINOJOSA, Mr. OBERSTAR, Ms. BALDWIN, Mrs. BONO MACK, Mr. THOMPSON of Mississippi, Mr. SERRANO, Mr. DOYLE, Ms. NORTON, Mr. ANDREWS, Mr. EHLERS, Mr. BLUMENAUER, Mr. ROTHMAN of New Jersey, Mrs. LOWEY, Mr. PASCRELL, Mr. CARNAHAN, Mr. WILSON of South Carolina, Mr. GORDON of Tennessee, Mr. SHIMKUS, Mr. VAN HOLLEN, Ms. SCHAKOWSKY, Mr. BOOZMAN, Mr. BACHUS, Mr. MCINTYRE, Mr. KENNEDY, Mr. FILNER, Mr. LATHAM, Mr. KING of New York, Mr. WEXLER, Mr. SPACE, Mr. CROWLEY, Mrs. MYRICK, and Mr. KIND) 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 classify automatic fire sprinkler systems as 5-year property for purposes of depreciation.

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. SHORT TITLE.**

2 This Act may be cited as the “Fire Sprinkler Incen-
3 tive Act of 2009”.

4 **SEC. 2. FINDINGS.**

5 The Congress finds that—

6 (1) the publication of the original study and
7 comprehensive list of recommendations in America
8 Burning, written in 1974, requested advances in fire
9 prevention through the installation of automatic
10 sprinkler systems in existing buildings have yet to be
11 fully implemented;

12 (2) fire departments responded to more than
13 1,500,000 fires in 2007;

14 (3) there were 3,430 civilian deaths and 17,675
15 civilian injuries resulting from fire in the United
16 States in 2007;

17 (4) 114 on-duty firefighters were killed in 2008;

18 (5) fire caused an estimated \$14,639,000,000
19 in direct property damage in 2007, and sprinklers
20 are responsible for a 70 percent reduction in prop-
21 erty damage from fires in public assembly, edu-
22 cational, residential, commercial, industrial and
23 manufacturing buildings;

24 (6) fire departments respond to a fire every 20
25 seconds, a fire breaks out in a structure every 59

1 seconds and in a residential structure every 76 sec-
2 onds in the United States;

3 (7) the Station Nightclub in West Warwick,
4 Rhode Island, did not contain an automated sprin-
5 kler system and burned down, killing 100 people on
6 February 20, 2003;

7 (8) due to an automated sprinkler system, not
8 a single person was injured from a fire beginning in
9 the Fine Line Music Café in Minneapolis after the
10 use of pyrotechnics on February 17, 2003;

11 (9) the National Fire Protection Association
12 has no record of a fire killing more than 2 people
13 in a completely sprinklered public assembly, edu-
14 cational, institutional or residential building where
15 the system was properly installed and fully oper-
16 ational;

17 (10) sprinkler systems dramatically improve the
18 chances of survival of those who cannot save them-
19 selves, specifically older adults, young children and
20 people with disabilities;

21 (11) the financial cost of upgrading fire counter
22 measures in buildings built prior to fire safety codes
23 is prohibitive for most property owners;

1 (12) many State and local governments lack
2 any requirements for existing structures to contain
3 automatic sprinkler systems;

4 (13) under the present straight-line method of
5 depreciation, there is a disincentive for building safe-
6 ty improvements due to an extremely low rate of re-
7 turn on investment; and

8 (14) the Nation is in need of incentives for the
9 voluntary installation and retrofitting of buildings
10 with automated sprinkler systems to save the lives of
11 countless individuals and responding firefighters as
12 well as drastically reduce the costs from property
13 damage.

14 **SEC. 3. CLASSIFICATION OF AUTOMATIC FIRE SPRINKLER**
15 **SYSTEMS.**

16 (a) IN GENERAL.—Subparagraph (B) of section
17 168(e)(3) of the Internal Revenue Code of 1986 (relating
18 to 5-year property) is amended by striking “and” at the
19 end of clause (vi), by striking the period at the end of
20 clause (vii) and inserting “, and”, and by adding at the
21 end the following:

22 “(viii) any automated fire sprinkler
23 system placed in service after April 11,
24 2003, in a building or structure which was
25 placed in service before such date.”.

1 (b) ALTERNATIVE SYSTEM.—The table contained in
 2 section 168(g)(3)(B) of the Internal Revenue Code of
 3 1986 is amended by inserting after the item relating to
 4 subparagraph (B)(vii) the following:

“(B)(viii) 7”.

5 (c) DEFINITION OF AUTOMATIC FIRE SPRINKLER
 6 SYSTEM.—Subsection (i) of section 168 of the Internal
 7 Revenue Code of 1986 is amended by adding at the end
 8 the following new paragraph:

9 “(20) AUTOMATED FIRE SPRINKLER SYSTEM.—
 10 The term ‘automated fire sprinkler system’ means
 11 those sprinkler systems classified under one or more
 12 of the following publications of the National Fire
 13 Protection Association—

14 “(A) NFPA 13, Installation of Sprinkler
 15 Systems,

16 “(B) NFPA 13 D, Installation of Sprin-
 17 kler Systems in One and Two Family Dwellings
 18 and Manufactured Homes, and

19 “(C) NFPA 13 R, Installation of Sprinkler
 20 Systems in Residential Occupancies up to and
 21 Including Four Stories in Height.”.

22 (d) EFFECTIVE DATE.—The amendments made by
 23 this section shall apply to property placed in service after
 24 April 11, 2003.

1 (e) WAIVER OF LIMITATIONS.—If refund or credit of
2 any overpayment of tax resulting from the amendments
3 made by this section is prevented at any time before the
4 close of the 1-year period beginning on the date of the
5 enactment of this Act by the operation of any law or rule
6 of law (including *res judicata*), such refund or credit may
7 nevertheless be made or allowed if claim therefor is filed
8 before the close of such period.

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