

111TH CONGRESS
2D SESSION

S. 3083

To amend the Internal Revenue Code of 1986 to allow the expensing of certain real property.

IN THE SENATE OF THE UNITED STATES

MARCH 5, 2010

Mr. BENNETT introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to allow the expensing of certain real property.

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 “Main Street Revitaliza-
5 tion Act of 2010”.

6 **SEC. 2. 10-YEAR CARRYBACK OF OPERATING LOSSES OF**
7 **SMALL BUSINESSES.**

8 (a) IN GENERAL.—Section 172(b)(1) of the Internal
9 Revenue Code of 1986 is amended by adding at the end
10 the following new subparagraph:

1 “(I) CARRYBACK FOR 2010 AND 2011 NET
2 OPERATING LOSSES OF SMALL BUSINESSES.—

3 “(i) IN GENERAL.—If a small busi-
4 ness (as defined in subparagraph (F)(iii)
5 determined by applying such subparagraph
6 for a 10-taxable year period) elects the ap-
7 plication of this subparagraph with respect
8 to an applicable 2010 or 2011 net oper-
9 ating loss—

10 “(I) subparagraph (A)(i) shall be
11 applied by substituting any whole
12 number elected by the taxpayer which
13 is more than 2 and less than 11 for
14 ‘2’,

15 “(II) subparagraph (E)(ii) shall
16 be applied by substituting the whole
17 number which is one less than the
18 whole number substituted under sub-
19 clause (I) for ‘2’, and

20 “(III) subparagraph (F) shall not
21 apply.

22 “(ii) APPLICABLE 2010 OR 2011 NET
23 OPERATING LOSS.—For purposes of this
24 subparagraph, the term ‘applicable 2010
25 or 2011 net operating loss’ means—

1 “(I) the taxpayer’s net operating
2 loss for any taxable year ending in
3 2010 or 2011, or

4 “(II) if the taxpayer elects to
5 have this subclause apply in lieu of
6 subclause (I), the taxpayer’s net oper-
7 ating loss for any taxable year begin-
8 ning in 2010 or 2011.

9 “(iii) ELECTION.—Any election under
10 this subparagraph shall be made in such
11 manner as may be prescribed by the Sec-
12 retary, and shall be made by the due date
13 (including extension of time) for filing the
14 taxpayer’s return for the taxable year of
15 the net operating loss. Any such election,
16 once made, shall be irrevocable. Any elec-
17 tion under this subparagraph may be made
18 only with respect to 2 taxable years.”.

19 (b) ANTI-ABUSE RULES.—The Secretary of Treasury
20 or the Secretary’s designee shall prescribe such rules as
21 are necessary to prevent the abuse of the purposes of the
22 amendments made by this section, including anti-stuffing
23 rules, anti-churning rules (including rules relating to sale-
24 leasebacks), and rules similar to the rules under section

1 1091 of the Internal Revenue Code of 1986 relating to
2 losses from wash sales.

3 (c) EFFECTIVE DATE.—

4 (1) IN GENERAL.—Except as otherwise pro-
5 vided in this subsection, the amendments made by
6 this section shall apply to net operating losses aris-
7 ing in taxable years ending after December 31,
8 2009.

9 (2) TRANSITIONAL RULE.—In the case of a net
10 operating loss for a taxable year ending before the
11 date of the enactment of this Act—

12 (A) any election made under section
13 172(b)(3) of the Internal Revenue Code of
14 1986 with respect to such loss may (notwith-
15 standing such section) be revoked before the ap-
16 plicable date, and

17 (B) any application under section 6411(a)
18 of such Code with respect to such loss shall be
19 treated as timely filed if filed before the appli-
20 cable date.

21 For purposes of this paragraph, the term “applica-
22 ble date” means the date which is 60 days after the
23 date of the enactment of this Act.

1 **SEC. 3. PERMANENT INCREASE IN LIMITATIONS ON EX-**
2 **PENSING OF CERTAIN DEPRECIABLE BUSI-**
3 **NESS ASSETS; EXPENSING OF CERTAIN REAL**
4 **PROPERTY.**

5 (a) IN GENERAL.—Subsection (b) of section 179 of
6 the Internal Revenue Code of 1986 (relating to limita-
7 tions) is amended—

8 (1) by striking “\$25,000” and all that follows
9 in paragraph (1) and inserting “\$250,000.”,

10 (2) by striking “\$200,000” and all that follows
11 in paragraph (2) and inserting “\$800,000”,

12 (3) by striking “after 2007 and before 2011,
13 the \$120,000 and \$500,000” in paragraph (5)(A)
14 and inserting “after 2010, the \$250,000 and the
15 \$800,000”,

16 (4) by striking “2006” in paragraph (5)(A)(ii)
17 and inserting “2009”, and

18 (5) by striking paragraph (7).

19 (b) PERMANENT EXPENSING OF COMPUTER SOFT-
20 WARE; EXPENSING FOR CERTAIN REAL PROPERTY.—
21 Paragraph (1) of section 179(d) of the Internal Revenue
22 Code of 1986 (defining section 179 property) is amended
23 to read as follows:

24 “(1) SECTION 179 PROPERTY.—For purposes of
25 this section, the term ‘section 179 property’ means

1 property acquired by purchase for use in the active
2 conduct of a trade or business—

3 “(A) which—

4 “(i) is—

5 “(I) tangible property (to which
6 section 168 applies), or

7 “(II) computer software (as de-
8 fined in section 197(e)(3)(B)) which
9 is described in section 197(e)(3)(A)(i),
10 to which section 167 applies, and
11 which is placed in service in a taxable
12 year beginning after 2002, and

13 “(ii) is section 1245 property (as de-
14 fined in section 1245(a)(3)), or

15 “(B) which is section 1250 property (as
16 defined by section 1250(c)).

17 Such term shall not include any property described
18 in section 50(b) and shall not include air condi-
19 tioning or heating units.”.

20 (c) EFFECTIVE DATE.—The amendments made by
21 this section shall apply to taxable years beginning after
22 December 31, 2009.

1 **SEC. 4. INCREASE IN AMOUNT ALLOWED AS DEDUCTION**
2 **FOR START-UP EXPENDITURES.**

3 (a) **IN GENERAL.**—Subsection (b) of section 195 of
4 the Internal Revenue Code of 1986 is amended by adding
5 at the end the following new paragraph:

6 “(3) **SPECIAL RULE FOR TAXABLE YEARS BE-**
7 **GINNING IN 2010, 2011, OR 2012.**—In the case of a
8 taxable year beginning in 2010, 2011, or 2012,
9 paragraph (1)(A)(ii) shall be applied by substituting
10 ‘\$20,000’ for ‘\$5,000’.”.

11 (b) **EFFECTIVE DATE.**—The amendment made by
12 this section shall apply to amounts paid or incurred in tax-
13 able years beginning after December 31, 2009.

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