

112TH CONGRESS
1ST SESSION

H. R. 1993

To amend the Internal Revenue Code of 1986 to modify timing rules for determining gross income with respect to certain construction contracts.

IN THE HOUSE OF REPRESENTATIVES

MAY 25, 2011

Mr. HERGER (for himself, Ms. BERKLEY, and Mr. MCKINLEY) 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 modify timing rules for determining gross income with respect to certain construction contracts.

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 “American Job Builders
5 Tax Reform Act of 2011”.

6 **SEC. 2. INDEXING OF SMALL CONTRACTOR THRESHOLD**
7 **FOR CONSTRUCTION CONTRACTS.**

8 (a) **SMALL CONTRACTOR THRESHOLD TO CORRECT**
9 **FOR PRIOR INFLATION.**—Clause (ii) of section
10 460(e)(1)(B) of the Internal Revenue Code of 1986 is

1 amended by striking “\$10,000,000” and inserting
2 “\$40,000,000”.

3 (b) SMALL CONTRACTOR THRESHOLD INDEXED FOR
4 INFLATION.—Subsection (e) of section 460 of such Code
5 is amended by adding at the end the following new para-
6 graph:

7 “(7) INFLATION ADJUSTMENT.—

8 “(A) IN GENERAL.—In the case of a tax-
9 able year beginning after 2011, the
10 \$40,000,000 amount in 460(e)(1)(B)(ii) shall
11 be increased by an amount equal to—

12 “(i) such dollar amount, multiplied by

13 “(ii) the cost-of-living adjustment de-
14 termined under section 1(f)(3) for the cal-
15 endar year in which the taxable year be-
16 gins, determined by substituting ‘calendar
17 year 2010’ for ‘calendar year 1992’ in sub-
18 paragraph (B) thereof.

19 “(B) ROUNDING.—If any amount as ad-
20 justed under subparagraph (A) is not a multiple
21 of \$100, such amount shall be rounded to the
22 next lowest multiple of \$100.”.

23 (c) EFFECTIVE DATE.—The amendments made by
24 this section shall apply to taxable years beginning after
25 December 31, 2010.

1 **SEC. 3. MINIMUM TAX TREATMENT NOT TO APPLY TO CON-**
2 **STRUCTION CONTRACTS.**

3 (a) **IN GENERAL.**—Paragraph (3) of section 56(a) of
4 the Internal Revenue Code of 1986 is amended by striking
5 the second sentence and inserting the following:

6 “For purposes of the preceding sentence, in the case of
7 a construction contract (as defined in section 460(e)(4)),
8 section 460(b)(1)(B) shall not apply.”.

9 (b) **EFFECTIVE DATE.**—The amendments made by
10 this section shall apply to taxable years beginning after
11 December 31, 2010.

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