

112TH CONGRESS
2D SESSION

H. R. 6102

To amend the Internal Revenue Code of 1986 to provide tax relief for small businesses, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 11, 2012

Mr. GERLACH (for himself 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 provide tax relief for small businesses, 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; ETC.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
5 “America’s Small Business Tax Relief Act of 2012”.

6 (b) **REFERENCES.**—Except as otherwise expressly
7 provided, whenever in this Act an amendment or repeal
8 is expressed in terms of an amendment to, or repeal of,
9 a section or other provision, the reference shall be consid-

1 ered to be made to a section or other provision of the In-
 2 ternal Revenue Code of 1986.

3 (c) TABLE OF CONTENTS.—The table of contents for
 4 this Act is as follows:

Sec. 1. Short title; etc.

Sec. 2. 100-Percent exclusion of gain on certain small business stock made per-
 manent.

Sec. 3. 5-Year carryback of general business credits of eligible small businesses
 made permanent.

Sec. 4. Alternative minimum tax rules for general business credits of eligible
 small businesses made permanent.

Sec. 5. Reduction in recognition period for built-in gains tax made permanent.

Sec. 6. Increased expensing limitations and treatment of certain real property
 as section 179 property made permanent.

Sec. 7. Special rule for long-term contract accounting made permanent.

Sec. 8. Increase of amount allowed as a deduction for start-up expenditures
 made permanent.

Sec. 9. Allowance of deduction for health insurance in computing self-employ-
 ment taxes made permanent.

5 **SEC. 2. 100-PERCENT EXCLUSION OF GAIN ON CERTAIN**
 6 **SMALL BUSINESS STOCK MADE PERMANENT.**

7 (a) IN GENERAL.—Paragraph (4) of section 1202(a)
 8 is amended—

9 (1) by striking “after the date of the enactment
 10 of the Creating Small Business Jobs Act of 2010
 11 and before January 1, 2012” and inserting “after
 12 September 27, 2010”, and

13 (2) by striking “DURING CERTAIN PERIODS IN
 14 2010 AND 2011” and inserting “AFTER SEPTEMBER
 15 27, 2010” in the heading thereof.

16 (b) EFFECTIVE DATE.—The amendments made by
 17 this section shall apply to stock acquired after December
 18 31, 2011.

1 **SEC. 3. 5-YEAR CARRYBACK OF GENERAL BUSINESS CRED-**
2 **ITS OF ELIGIBLE SMALL BUSINESSES MADE**
3 **PERMANENT.**

4 (a) **IN GENERAL.**—Subparagraph (A) of section
5 39(a)(4) is amended by striking “determined in the first
6 taxable year of the taxpayer beginning in 2010”.

7 (b) **EFFECTIVE DATE.**—The amendment made by
8 this section shall apply to credits determined in taxable
9 years beginning after December 31, 2011.

10 **SEC. 4. ALTERNATIVE MINIMUM TAX RULES FOR GENERAL**
11 **BUSINESS CREDITS OF ELIGIBLE SMALL**
12 **BUSINESSES MADE PERMANENT.**

13 (a) **IN GENERAL.**—Paragraph (5) of section 38(c) is
14 amended—

15 (1) by striking “determined in taxable years be-
16 ginning in 2010” in subparagraph (A), and

17 (2) by striking “IN 2010” in the heading of such
18 paragraph.

19 (b) **EFFECTIVE DATE.**—The amendments made by
20 this section shall apply to credits determined in taxable
21 years beginning after December 31, 2011, and to
22 carrybacks of such credits.

1 **SEC. 5. REDUCTION IN RECOGNITION PERIOD FOR BUILT-**
2 **IN GAINS TAX MADE PERMANENT.**

3 (a) IN GENERAL.—Subparagraph (A) of section
4 1374(d)(7) is amended by striking “10-year period” and
5 inserting “5-year period”.

6 (b) CONFORMING AMENDMENTS.—

7 (1) Paragraph (7) of section 1374(d) is amend-
8 ed by striking subparagraph (B) and by redesignig-
9 nating subparagraph (C) as subparagraph (B).

10 (2) Subparagraph (B) of section 1374(d), as re-
11 designating by paragraph (1), is amended by striking
12 “section 953(e)—” and all that follows and inserting
13 “section 953(e), subparagraph (A) shall be applied
14 without regard to the phrase ‘5-year’.”.

15 (c) EFFECTIVE DATE.—The amendments made by
16 this section shall apply to taxable years beginning after
17 December 31, 2011.

18 **SEC. 6. INCREASED EXPENSING LIMITATIONS AND TREAT-**
19 **MENT OF CERTAIN REAL PROPERTY AS SEC-**
20 **TION 179 PROPERTY MADE PERMANENT.**

21 (a) IN GENERAL.—Subsection (b) of section 179 is
22 amended—

23 (1) by striking “shall not exceed—” and all
24 that follows in paragraph (1) and inserting “shall
25 not exceed \$500,000.”,

1 (2) by striking “exceeds—” and all that follows
2 in paragraph (2) and inserting “exceeds
3 \$2,000,000.”, and

4 (3) by striking paragraph (6).

5 (b) COMPUTER SOFTWARE.—Clause (ii) of section
6 179(d)(1)(A) is amended by striking “and which is placed
7 in service in a taxable year beginning after 2002 and be-
8 fore 2013,”.

9 (c) ELECTION.—Paragraph (2) of section 179(e) is
10 amended to read as follows:

11 “(2) REVOCATION OF ELECTION.—Any election
12 made under this section, and any specification con-
13 tained in any such election, may be revoked by the
14 taxpayer with respect to any property, and such rev-
15 ocation, once made, shall be irrevocable.”.

16 (d) SPECIAL RULES FOR TREATMENT OF QUALIFIED
17 REAL PROPERTY.—Paragraph (1) of section 179(f) is
18 amended by striking “beginning in 2010 or 2011”.

19 (e) EFFECTIVE DATE.—The amendments made by
20 this section shall apply to taxable years beginning after
21 December 31, 2011.

22 **SEC. 7. SPECIAL RULE FOR LONG-TERM CONTRACT AC-**
23 **COUNTING MADE PERMANENT.**

24 (a) IN GENERAL.—Subparagraph (B) of section
25 460(c)(6) is amended by striking “which—” and all that

1 follows and inserting “which has a recovery period of 7
2 years or less.”.

3 (b) EFFECTIVE DATE.—The amendment made by
4 this section shall apply to property placed in service after
5 December 31, 2011.

6 **SEC. 8. INCREASE OF AMOUNT ALLOWED AS A DEDUCTION**
7 **FOR START-UP EXPENDITURES MADE PERMA-**
8 **NENT.**

9 (a) IN GENERAL.—Clause (ii) of section
10 195(b)(1)(A) is amended—

11 (1) by striking “\$5,000” and inserting
12 “\$10,000”, and

13 (2) by striking “\$50,000” and inserting
14 “\$60,000”.

15 (b) CONFORMING AMENDMENT.—Subsection (b) of
16 section 195 is amended by striking paragraph (3).

17 (c) EFFECTIVE DATE.—The amendments made by
18 this section shall apply to amounts paid or incurred in tax-
19 able years beginning after December 31, 2011.

20 **SEC. 9. ALLOWANCE OF DEDUCTION FOR HEALTH INSUR-**
21 **ANCE IN COMPUTING SELF-EMPLOYMENT**
22 **TAXES MADE PERMANENT.**

23 (a) IN GENERAL.—Paragraph (4) of section 162(l)
24 is amended by striking “, or after December 31, 2010”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to taxable years beginning after
3 December 31, 2011.

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