

115TH CONGRESS  
1ST SESSION

# S. 602

To amend the Internal Revenue Code of 1986 to include automated fire sprinkler system retrofits as section 179 property and classify certain automated fire sprinkler system retrofits as 15-year property for purposes of depreciation.

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IN THE SENATE OF THE UNITED STATES

MARCH 9, 2017

Ms. COLLINS (for herself and Mr. CARPER) introduced the following bill;  
which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to include automated fire sprinkler system retrofits as section 179 property and classify certain automated fire sprinkler system retrofits as 15-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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Fire Sprinkler Incen-  
5 tive Act”.

1 **SEC. 2. AUTOMATED FIRE SPRINKLER SYSTEM RETROFITS**  
 2 **TREATED AS SECTION 179 PROPERTY.**

3 (a) IN GENERAL.—Section 179(d)(1)(B) of the Inter-  
 4 nal Revenue Code of 1986 is amended to read as follows:

5 “(B) which is—

6 “(i) automated fire sprinkler system  
 7 retrofit property (as defined in section  
 8 168(i)(20) determined without regard to  
 9 subparagraph (A)(i)(II) thereof), or

10 “(ii) section 1245 property (as defined  
 11 in section 1245(a)(3)), and”.

12 (b) EFFECTIVE DATE.—The amendments made by  
 13 this section shall apply to property placed in service after  
 14 the date of the enactment of this Act.

15 **SEC. 3. CLASSIFICATION OF CERTAIN AUTOMATED FIRE**  
 16 **SPRINKLER SYSTEM RETROFITS.**

17 (a) TREATMENT AS 15-YEAR PROPERTY.—Section  
 18 168(e)(3)(E) of the Internal Revenue Code of 1986 is  
 19 amended by striking “and” at the end of clause (viii), by  
 20 striking the period at the end of clause (ix) and inserting  
 21 “, and”, and by adding at the end the following:

22 “(x) any automated fire sprinkler sys-  
 23 tem retrofit property.”.

24 (b) APPLICABLE DEPRECIATION METHOD.—Section  
 25 168(b)(3) of such Code is amended by adding at the end  
 26 the following new subparagraph:

1                   “(J) Any automated fire sprinkler system  
2                   retrofit property.”.

3           (c) ALTERNATIVE SYSTEM.—The table contained in  
4 section 168(g)(3)(B) of such Code is amended by inserting  
5 after the item relating to subparagraph (E)(ix) the fol-  
6 lowing:

          “(E)(x) ..... 39”.

7           (d) DEFINITION OF AUTOMATED FIRE SPRINKLER  
8 SYSTEM RETROFIT PROPERTY.—Section 168(i) of such  
9 Code is amended by adding at the end the following new  
10 paragraph:

11                   “(20) AUTOMATED FIRE SPRINKLER SYSTEM  
12                   RETROFIT PROPERTY.—

13                           “(A) IN GENERAL.—The term ‘automated  
14                           fire sprinkler system retrofit property’ means  
15                           any property which comprises a sprinkler sys-  
16                           tem which—

17                                   “(i) is installed in a building or struc-  
18                                   ture which—

19   “(I) was placed in service before  
20   the date on which such sprinkler sys-  
21   tem is placed in service, and

22   “(II) has an occupiable story the  
23   floor of which is more than 75 feet  
24   above the lowest level of fire depart-  
25   ment vehicle access, and

1                   “(ii) is classified under one or more of  
2                   the following:

3                   “(I) National Fire Protection As-  
4                   sociation 13, Installation of Sprinkler  
5                   Systems.

6                   “(II) National Fire Protection  
7                   Association 13 D, Installation of  
8                   Sprinkler Systems in One and Two  
9                   Family Dwellings and Manufactured  
10                  Homes or International Residential  
11                  Code Section P2904, Dwelling Unit  
12                  Fire Sprinkler Systems.

13                  “(III) National Fire Protection  
14                  Association 13 R, Installation of  
15                  Sprinkler Systems in Residential Oc-  
16                  cupancies up to and Including Four  
17                  Stories in Height.

18                  “(B) EXCEPTION FOR CERTAIN INSTALLA-  
19                  TIONS REQUIRED BY LAW.—Such term shall not  
20                  include any sprinkler system the installation of  
21                  which is required by State or local law by rea-  
22                  son of the degree of additions or improvements  
23                  made to such building or structure.”.

1       (e) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to property placed in service after  
3 the date of the enactment of this Act.

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