

112TH CONGRESS
2D SESSION

S. 2284

To amend the Internal Revenue Code of 1986 to provide expensing for small businesses.

IN THE SENATE OF THE UNITED STATES

APRIL 16, 2012

Mr. BEGICH 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 provide expensing for small businesses.

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. ELECTION FOR SMALL BUSINESSES TO EX-**
4 **PENSE DEPRECIABLE PROPERTY.**

5 (a) IN GENERAL.—Part VI of subchapter B of chap-
6 ter 1 of the Internal Revenue Code of 1986 is amended
7 by inserting after section 179E the following new section:

1 **“SEC. 179F. ELECTION FOR SMALL BUSINESSES TO EX-**
2 **PENSE CERTAIN DEPRECIABLE PROPERTY.**

3 “(a) IN GENERAL.—An eligible small business may
4 elect to treat the cost of any qualified property as an ex-
5 pense which is not chargeable to a capital account.

6 “(b) ELIGIBLE SMALL BUSINESS.—For purposes of
7 this section—

8 “(1) IN GENERAL.—The term ‘eligible small
9 business’ means, with respect to any taxable year,
10 any trade or business the net profit of which does
11 not exceed \$1,000,000.

12 “(2) NET PROFIT.—The term ‘net profit’
13 means the excess of the aggregate gross receipts
14 over the sum of—

15 “(A) the costs of goods sold which are allo-
16 cable to such receipts, and

17 “(B) other expenses, losses, or deductions
18 which are properly allocable to such receipts.

19 “(3) AGGREGATION RULES.—All persons treat-
20 ed as a single employer under subsection (a) or (b)
21 of section 52 or subsection (m) or (o) of section 414
22 shall be treated as a single trade or business for
23 purposes of this subsection.

24 “(c) ELECTION.—An election under this section for
25 any taxable year shall be made on the taxpayer’s return
26 of the tax imposed by this chapter for the taxable year.

1 Such election shall be made in such manner as the Sec-
 2 retary may by regulation prescribe.

3 “(d) DEFINITIONS AND SPECIAL RULES.—

4 “(1) QUALIFIED PROPERTY.—For purposes of
 5 this section, the term ‘qualified property’ means any
 6 property which is section 179 property as defined in
 7 section 179(d)(1), determined—

8 “(A) without regard to any placed in serv-
 9 ice date under subparagraph (A)(ii) thereof,
 10 and

11 “(B) without regard to any taxable year
 12 limitation under section 179(f).

13 “(2) SPECIAL RULES.—For purposes of this
 14 section, rules similar to the rules of paragraphs (3),
 15 (4), (5), (9), and (10) of section 179(d) shall
 16 apply.”.

17 (b) CLERICAL AMENDMENT.—Part VI of subchapter
 18 B of chapter 1 of the Internal Revenue Code of 1986 is
 19 amended by inserting after the item relating to section
 20 179E the following new item:

“Sec. 179F. Election for small businesses to expense certain depreciable prop-
 erty.”.

21 (c) EFFECTIVE DATE.—The amendments made by
 22 this section shall apply to taxable years beginning after
 23 December 31, 2012.

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