

114TH CONGRESS  
1ST SESSION

# H. R. 636

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IN THE SENATE OF THE UNITED STATES

FEBRUARY 23, 2015

Received

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## AN ACT

To amend the Internal Revenue Code of 1986 to permanently extend increased expensing limitations, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “America’s Small Busi-  
3 ness Tax Relief Act of 2015”.

4 **SEC. 2. EXPENSING CERTAIN DEPRECIABLE BUSINESS AS-**  
5 **SETS FOR SMALL BUSINESS.**

6 (a) IN GENERAL.—

7 (1) DOLLAR LIMITATION.—Section 179(b)(1) of  
8 the Internal Revenue Code of 1986 is amended by  
9 striking “shall not exceed—” and all that follows  
10 and inserting “shall not exceed \$500,000.”.

11 (2) REDUCTION IN LIMITATION.—Section  
12 179(b)(2) of such Code is amended by striking “ex-  
13 ceeds—” and all that follows and inserting “exceeds  
14 \$2,000,000.”.

15 (b) COMPUTER SOFTWARE.—Section  
16 179(d)(1)(A)(ii) of such Code is amended by striking “,  
17 to which section 167 applies, and which is placed in service  
18 in a taxable year beginning after 2002 and before 2015”  
19 and inserting “and to which section 167 applies”.

20 (c) ELECTION.—Section 179(c)(2) of such Code is  
21 amended—

22 (1) by striking “may not be revoked” and all  
23 that follows through “and before 2015”; and

24 (2) by striking “IRREVOCABLE” in the heading  
25 thereof.

1           (d) AIR CONDITIONING AND HEATING UNITS.—Sec-  
2 tion 179(d)(1) of such Code is amended by striking “and  
3 shall not include air conditioning or heating units”.

4           (e) QUALIFIED REAL PROPERTY.—Section 179(f) of  
5 such Code is amended—

6                 (1) by striking “beginning after 2009 and be-  
7 fore 2015” in paragraph (1); and

8                 (2) by striking paragraphs (3) and (4).

9           (f) INFLATION ADJUSTMENT.—Section 179(b) of  
10 such Code is amended by adding at the end the following  
11 new paragraph:

12                 “(6) INFLATION ADJUSTMENT.—

13                         “(A) IN GENERAL.—In the case of any  
14 taxable year beginning after 2015, the dollar  
15 amounts in paragraphs (1) and (2) shall each  
16 be increased by an amount equal to—

17                                 “(i) such dollar amount, multiplied by

18                                 “(ii) the cost-of-living adjustment de-  
19 termined under section 1(f)(3) for the cal-  
20 endar year in which the taxable year be-  
21 gins, determined by substituting ‘calendar  
22 year 2014’ for ‘calendar year 1992’ in sub-  
23 paragraph (B) thereof.

1           “(B) ROUNDING.—The amount of any in-  
2           crease under subparagraph (A) shall be round-  
3           ed to the nearest multiple of \$10,000.”.

4           (g) EFFECTIVE DATE.—The amendments made by  
5 this section shall apply to taxable years beginning after  
6 December 31, 2014.

7 **SEC. 3. REDUCED RECOGNITION PERIOD FOR BUILT-IN**  
8           **GAINS OF S CORPORATIONS MADE PERMA-**  
9           **NENT.**

10          (a) IN GENERAL.—Paragraph (7) of section 1374(d)  
11 of the Internal Revenue Code of 1986 is amended to read  
12 as follows:

13           “(7) RECOGNITION PERIOD.—

14           “(A) IN GENERAL.—The term ‘recognition  
15           period’ means the 5-year period beginning with  
16           the first day of the first taxable year for which  
17           the corporation was an S corporation. For pur-  
18           poses of applying this section to any amount in-  
19           cludible in income by reason of distributions to  
20           shareholders pursuant to section 593(e), the  
21           preceding sentence shall be applied without re-  
22           gard to the phrase ‘5-year’.

23           “(B) INSTALLMENT SALES.—If an S cor-  
24           poration sells an asset and reports the income  
25           from the sale using the installment method

1           under section 453, the treatment of all pay-  
2           ments received shall be governed by the provi-  
3           sions of this paragraph applicable to the taxable  
4           year in which such sale was made.”.

5           (b) **EFFECTIVE DATE.**—The amendment made by  
6 this section shall apply to taxable years beginning after  
7 December 31, 2014.

8 **SEC. 4. PERMANENT RULE REGARDING BASIS ADJUST-**  
9                           **MENT TO STOCK OF S CORPORATIONS MAK-**  
10                          **ING CHARITABLE CONTRIBUTIONS OF PROP-**  
11                          **ERTY.**

12           (a) **IN GENERAL.**—Section 1367(a)(2) of the Internal  
13 Revenue Code of 1986 is amended by striking the last sen-  
14 tence.

15           (b) **EFFECTIVE DATE.**—The amendment made by  
16 this section shall apply to contributions made in taxable  
17 years beginning after December 31, 2014.

1 **SEC. 5. BUDGETARY EFFECTS.**

2       The budgetary effects of this Act shall not be entered  
3 on either PAYGO scorecard maintained pursuant to sec-  
4 tion 4(d) of the Statutory Pay-As-You-Go Act of 2010.

      Passed the House of Representatives February 13,  
2015.

Attest:

KAREN L. HAAS,

*Clerk.*