

111<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 4518

To amend the Internal Revenue Code of 1986 to deny a deduction for image advertising expenses for any trade or business the gross receipts of which exceed \$100 million.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 26, 2010

Mr. HALL of New York introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to deny a deduction for image advertising expenses for any trade or business the gross receipts of which exceed \$100 million.

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. DENIAL OF DEDUCTION FOR CERTAIN ADVER-**  
4 **TISING.**

5 (a) IN GENERAL.—Part IX of subchapter B of chap-  
6 ter 1 of the Internal Revenue Code of 1986 (relating to  
7 items not deductible) is amended by adding at the end  
8 the following new section:

1 **“SEC. 280I. DENIAL OF DEDUCTION FOR CERTAIN ADVER-**  
2 **TISING.**

3 “(a) IN GENERAL.—In the case of a person who is  
4 not a qualified small business, no deduction shall be al-  
5 lowed under this chapter for any amount paid or incurred  
6 for advertising anything other than a service or product.

7 “(b) QUALIFIED SMALL BUSINESS.—For purposes of  
8 this section, the term ‘qualified small business’ means any  
9 person engaged in a trade or business the gross receipts  
10 of which for the preceding taxable year did not exceed  
11 \$100,000,000.

12 “(c) COMMON CONTROL.—All members of the same  
13 controlled group of corporations (within the meaning of  
14 section 52(a)) and all persons under common control  
15 (within the meaning of section 52(b)) shall be treated as  
16 1 person for purposes of this section.”.

17 (b) CLERICAL AMENDMENT.—The table of sections  
18 for part IX of subchapter B of chapter 1 of such Code  
19 is amended by adding at the end thereof the following new  
20 item:

“Sec. 280I. Denial of deduction for certain advertising expenses.”.

21 (c) EFFECTIVE DATE.—The amendments made by  
22 this section shall apply to amounts paid or incurred after  
23 the date of the enactment of this Act in taxable years end-  
24 ing after such date.