

114TH CONGRESS
2D SESSION

H. R. 5818

To amend the Internal Revenue Code of 1986 to provide for expensing of property used to comply with Federal laws and regulations.

IN THE HOUSE OF REPRESENTATIVES

JULY 14, 2016

Mr. BLUM (for himself, Mr. GROTHMAN, and Mr. BISHOP of Michigan) 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 for expensing of property used to comply with Federal laws and regulations.

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 “Mandated Expenses
5 Tax Relief Act”.

1 **SEC. 2. EXPENSING OF PROPERTY USED TO COMPLY WITH**
2 **FEDERAL LAWS AND REGULATIONS.**

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

6 **“SEC. 179F. ELECTION TO EXPENSE PROPERTY USED TO**
7 **COMPLY WITH FEDERAL LAWS AND REGULA-**
8 **TIONS.**

9 “(a) IN GENERAL.—A taxpayer may elect to treat the
10 cost of any Federal compliance property as an expense
11 which is not chargeable to capital account. Any cost so
12 treated shall be allowed as a deduction for the taxable year
13 in which the Federal compliance property is placed in serv-
14 ice.

15 “(b) FEDERAL COMPLIANCE PROPERTY.—For pur-
16 poses of this section, the term ‘Federal compliance prop-
17 erty’ means any property—

18 “(1) which is of a character with respect to
19 which depreciation (or amortization in lieu of depre-
20 ciation) is allowable, and

21 “(2) which is used by the taxpayer to comply
22 with any Federal law or regulation.

23 “(c) ELECTION.—

24 “(1) IN GENERAL.—An election under this sec-
25 tion for any taxable year shall be made on the tax-
26 payer’s return of the tax imposed by this chapter for

1 the taxable year. Such election shall specify the Fed-
2 eral compliance property to which the election ap-
3 plies and shall be made in such manner as the Sec-
4 retary may provide.

5 “(2) ELECTION IRREVOCABLE.—Any election
6 made under this section may not be revoked except
7 with the consent of the Secretary.”.

8 (b) CONFORMING AMENDMENTS.—

9 (1) Section 312(k)(3)(B) of such Code is
10 amended by striking “or 179E” each place it ap-
11 pears in the heading and text and inserting “179E,
12 or 179F”.

13 (2) Paragraphs (2)(C) and (3)(C) of section
14 1245(a) of such Code are each amended by inserting
15 “179F,” after “179E,”.

16 (3) The table of sections for part VI of sub-
17 chapter B of chapter 1 of such Code is amended by
18 inserting after the item relating to section 179E the
19 following new item:

“Sec. 179F. Election to expense property used to comply with Federal laws and
regulations.”.

20 (c) EFFECTIVE DATE.—The amendments made by
21 this section shall apply to amounts paid or incurred after
22 the date of the enactment of this Act.

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