

112TH CONGRESS
1ST SESSION

S. 836

To amend the Internal Revenue Code of 1986 to provide special depreciation and amortization rules for highway and related property subject to long-term leases, and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 14, 2011

Mr. BINGAMAN (for himself and Mr. GRASSLEY) 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 special depreciation and amortization rules for highway and related property subject to long-term leases, 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Transportation Access
5 for All Americans Act”.

1 **SEC. 2. DEPRECIATION AND AMORTIZATION RULES FOR**
 2 **HIGHWAY AND RELATED PROPERTY SUBJECT**
 3 **TO LONG-TERM LEASES.**

4 (a) ACCELERATED COST RECOVERY.—

5 (1) IN GENERAL.—Section 168(g)(1) of the In-
 6 ternal Revenue Code of 1986 is amended by striking
 7 “and” at the end of subparagraph (D), by redesignig-
 8 nating subparagraph (E) as subparagraph (F), and
 9 by inserting after subparagraph (D) the following
 10 new subparagraph:

11 “(E) any applicable leased highway prop-
 12 erty.”.

13 (2) RECOVERY PERIOD.—The table contained in
 14 subparagraph (C) of section 168(g)(2) of such Code
 15 is amended by redesignating clause (iv) as clause (v)
 16 and by inserting after clause (iii) the following new
 17 clause:

“(iv) Applicable leased highway property 45 years.”.

18 (3) APPLICABLE LEASED HIGHWAY PROPERTY
 19 DEFINED.—

20 (A) IN GENERAL.—Section 168(g) of such
 21 Code is amended by redesignating paragraph
 22 (7) as paragraph (8) and by inserting after
 23 paragraph (6) the following new paragraph:

1 “(7) APPLICABLE LEASED HIGHWAY PROP-
2 ERTY.—For purposes of paragraph (1)(E)—

3 “(A) IN GENERAL.—The term ‘applicable
4 leased highway property’ means property to
5 which this section otherwise applies which—

6 “(i) is subject to an applicable lease,

7 and

8 “(ii) is placed in service before the
9 date of such lease.

10 “(B) APPLICABLE LEASE.—The term ‘ap-
11 plicable lease’ means a lease or other arrange-
12 ment—

13 “(i) which is between the taxpayer
14 and a State or political subdivision thereof,
15 or any agency or instrumentality of either,
16 and

17 “(ii) under which the taxpayer—

18 “(I) leases a highway and associ-
19 ated improvements,

20 “(II) receives a right-of-way on
21 the public lands underlying such high-
22 way and improvements, and

23 “(III) receives a grant of a fran-
24 chise or other intangible right permit-
25 ting the taxpayer to receive funds re-

1 lating to the operation of such high-
2 way.”.

3 (B) CONFORMING AMENDMENT.—Subpara-
4 graph (F) of section 168(g)(1) (as redesignated
5 by subsection (a)(1)) is amended by striking
6 “paragraph (7)” and inserting “paragraph
7 (8)”.

8 (b) AMORTIZATION OF INTANGIBLES.—Section
9 197(f) of the Internal Revenue Code of 1986 is amended
10 by adding at the end the following new paragraph:

11 “(11) INTANGIBLES RELATING TO APPLICABLE
12 LEASED HIGHWAY PROPERTY.—In the case of any
13 section 197 intangible property which is subject to
14 an applicable lease (as defined in section
15 168(g)(8)(B)), the amortization period under this
16 section shall not be less than the term of the appli-
17 cable lease. For purposes of the preceding sentence,
18 rules similar to the rules of section 168(i)(3)(A)
19 shall apply in determining the term of the applicable
20 lease.”.

21 (c) NO PRIVATE ACTIVITY BOND FINANCING OF AP-
22 PLICABLE LEASES.—Section 147(e) of the Internal Rev-
23 enue Code of 1986 is amended by inserting “, or to fi-
24 nance any applicable lease (as defined in section
25 168(g)(8)(B))” after “premises”.

1 (d) **EFFECTIVE DATE.**—The amendments made by
2 this section shall apply to leases entered into after the date
3 of the enactment of this Act.

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