

103D CONGRESS
1ST SESSION

H. R. 2456

To amend the Internal Revenue Code of 1986 in order to provide an incentive for business to invest in pollution abatement property and related assets.

IN THE HOUSE OF REPRESENTATIVES

JUNE 17, 1993

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

A BILL

To amend the Internal Revenue Code of 1986 in order to provide an incentive for business to invest in pollution abatement property and related assets.

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. AMENDMENT OF DEPRECIATION RULES RELAT-**
4 **ING TO CERTAIN ENVIRONMENTAL PROP-**
5 **ERTY.**

6 (a) GENERAL RULE.—Section 168(e)(3)(B) of the
7 Internal Revenue Code of 1986 is amended by striking
8 “and” at the end of clause (v), by striking the period at
9 the end of clause (vi) and inserting “, and”, and by adding
10 after clause (vi) the following new clause:

1 “(vii) any environmental property.”

2 (b) ENVIRONMENTAL PROPERTY.—Section 168(i) of
3 such Code is amended by adding at the end thereof the
4 following new paragraph:

5 “(14) ENVIRONMENTAL PROPERTY.—The term
6 ‘environmental property’ means any identifiable item
7 of property—

8 “(A) which is used in connection with a
9 plant or other property in operation before Jan-
10 uary 1, 1994, to prevent, abate or control water
11 or atmospheric pollution or contamination by
12 removing, altering, disposing, storing or pre-
13 venting the creation or emission of pollutants
14 (including dust), contaminants, wastes, or heat,
15 and property which monitors the creation or
16 emission of pollutants (including dust), con-
17 taminants, wastes, or heat,

18 “(B) which does not significantly—

19 “(i) increase the output or capacity,
20 extend the useful life, or reduce the total
21 operating costs of such plant or other
22 property (or any unit thereof), or

23 “(ii) alter the nature of the manufac-
24 turing or production process or facility,
25 and

1 “(C) which is not a building or its struc-
2 tural components, other than a building which
3 is exclusively a facility described in subpara-
4 graph (A).”

5 (c) ALTERNATIVE DEPRECIATION SYSTEM.—Para-
6 graph (3) of section 168(g) of such Code is amended by
7 adding at the end thereof the following new subparagraph:

8 “(F) ENVIRONMENTAL PROPERTY.—In the
9 case of environmental property (other than
10 property described in subparagraph (A) or (D)
11 of paragraph (1)), the recovery period used for
12 purposes of paragraph (2) shall be—

13 “(i) 5 years if the average annual
14 gross receipts of the taxpayer for the 3
15 taxable years preceding the taxable year in
16 which the property is placed in service ex-
17 ceeds \$250,000,000,

18 “(ii) 3 years if such average annual
19 gross receipts exceeds \$100,000,000 but
20 does not exceed \$250,000,000, and

21 “(iii) 1 year if such average annual
22 gross receipts does not exceed
23 \$100,000,000.

1 For purposes of the preceding sentence, rules
2 similar to the rules of paragraphs (2) and (3)
3 of section 448(c) shall apply.”

4 (d) ALTERNATIVE MINIMUM TAX.—

5 (1) Paragraph (1)(B) of section 56(a) of such
6 Code is amended by inserting before the period “or
7 in paragraph (14) of section 168(i)”.

8 (2) Paragraph (4)(A)(v) of section 56(g) of
9 such Code is amended by inserting “or in paragraph
10 (14) of section 168(i)” after “section 168(f)”.

11 (e) REPEAL OF SECTION 169.—

12 (1) Section 169 of such Code is hereby re-
13 pealed.

14 (2) The table of sections for part VI of sub-
15 chapter B of chapter 1 of such Code is amended by
16 striking the item relating to section 169.

17 (f) EFFECTIVE DATE.—The amendments made by
18 this section shall apply to property placed in service after
19 December 31, 1993, in taxable years ending after such
20 date.

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