

103^D CONGRESS
2^D SESSION

H. R. 4258

To amend the Internal Revenue Code of 1986 to provide clarification for the deductibility of expenses incurred by a taxpayer in connection with the business use of the home, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 19, 1994

Mr. COPPERSMITH 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 clarification for the deductibility of expenses incurred by a taxpayer in connection with the business use of the home, 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 “Home Worker Tax
5 Relief Act of 1994”.

1 **SEC. 2. CLARIFICATION OF DEFINITION OF PRINCIPAL**
2 **PLACE OF BUSINESS.**

3 (a) GENERAL RULE.—Subsection (f) of section 280A
4 of the Internal Revenue Code of 1986 is amended by re-
5 designating paragraphs (2), (3), and (4) as paragraphs
6 (3), (4), and (5), respectively, and by inserting after para-
7 graph (1) the following new paragraph:

8 “(2) PRINCIPAL PLACE OF BUSINESS.—For
9 purposes of subsection (c), a home office shall in any
10 case qualify as the principal place of business if the
11 office is the location where the taxpayer’s essential
12 administrative, management or telecommuting ac-
13 tivities are conducted on a regular and systematic
14 (and not incidental) basis by the taxpayer.”

15 (b) EFFECTIVE DATE.—The amendment made by
16 subsection (a) shall apply to taxable years beginning after
17 December 31, 1993.

18 **SEC. 3. TREATMENT OF EMPLOYEES ENGAGED IN**
19 **TELECOMMUTING.**

20 (a) DEPRECIATION DEDUCTIONS ALLOWED.—

21 (1) IN GENERAL.—Subparagraph (A) of section
22 280F(d)(3) of the Internal Revenue Code of 1986
23 (relating to deductions of employee) is amended by
24 adding at the end the following new sentence: “The
25 preceding sentence shall not apply to any listed

1 property described in clause (iv) or (v) of paragraph
2 (4)(B).”.

3 (2) EFFECTIVE DATE.—The amendment made
4 by paragraph (1) shall apply to property placed in
5 service after the date of the enactment of this Act.

6 (b) WAIVER OF 2-PERCENT FLOOR.—

7 (1) IN GENERAL.—Subsection (b) of section 67
8 of such Code is amended by striking “and” at the
9 end of paragraph (11), by striking the period at the
10 end of paragraph (12) and inserting “, and”, and by
11 adding at the end the following new paragraph:

12 “(13) the deductions under part VI (section
13 161 and following) which are attributable to the per-
14 formance of services as an employee in such employ-
15 ee’s residence but only if in the performance of such
16 services there is substantial use of—

17 “(A) any computer or peripheral equip-
18 ment (as defined in section 168(i)(2)(B)), or

19 “(B) any telecommunications equipment.”

20 (2) EFFECTIVE DATE.—The amendment made
21 by paragraph (1) shall apply to taxable years begin-
22 ning after December 31, 1993.

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