

112TH CONGRESS
1ST SESSION

H. R. 3123

To amend the Internal Revenue Code of 1986 to allow for annual elections to accelerate AMT credits in lieu of bonus depreciation.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 6, 2011

Mr. TIBERI (for himself, Mr. LARSON of Connecticut, Mr. REICHERT, Mr. PETERS, and Mr. LEVIN) 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 allow for annual elections to accelerate AMT credits in lieu of bonus depreciation.

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 “American Job Creation
5 and Investment Act of 2011”.

6 **SEC. 2. EXPANSION OF ELECTION TO ACCELERATE AMT**
7 **CREDITS IN LIEU OF BONUS DEPRECIATION.**

8 (a) MAXIMUM INCREASE AMOUNT.—Clause (iii) of
9 section 168(k)(4)(C) of the Internal Revenue Code of

1 1986 is amended by striking “the lesser of” and all that
2 follows through “6 percent” and inserting “50 percent”.

3 (b) ALLOWANCE OF PRE-2011 AMT CREDITS.—

4 Clause (iv) of section 168(k)(4)(E) of such Code is amend-
5 ed to read as follows:

6 “(iv) AMT CREDIT INCREASE
7 AMOUNT.—For purposes of this paragraph,
8 the term ‘AMT credit increase amount’
9 means the minimum tax credit under sec-
10 tion 53(b) for the first taxable year ending
11 after December 31, 2010. For purposes of
12 the preceding sentence, credits shall be
13 treated as allowed on a first-in, first-out
14 basis.”.

15 (c) APPLICATION TO PARTNERSHIPS.—Subpara-
16 graph (C) of section 168(k)(4) of such Code is amended
17 by adding at the end the following new clause:

18 “(v) APPLICATION TO PARTNER-
19 SHIPS.—In the case of a partnership in
20 which more than 50 percent of the capital
21 and profits interests in the partnership are
22 owned (directly or indirectly) at all times
23 during the taxable year by the corporations
24 treated as 1 taxpayer under clause (iv)—

1 “(I) this paragraph shall be ap-
2 plied at the partner level, and

3 “(II) each partner shall be treat-
4 ed as having for the taxable year an
5 amount equal to such partner’s allo-
6 cable share of the eligible qualified
7 property for such taxable year (as de-
8 termined under regulations prescribed
9 by the Secretary).”.

10 (d) SEPARATE ELECTIONS FOR EACH TAXABLE
11 YEAR.—

12 (1) TAXPAYERS PREVIOUSLY ELECTING ACCEL-
13 ERATION.—Clause (ii) of section 168(k)(4)(I) of
14 such Code is amended—

15 (A) by striking “property,” in subclause
16 (I) and inserting “property for its first taxable
17 year ending after December 31, 2010, or, by
18 separate elections, any subsequent taxable
19 year,”

20 (B) by striking “the election under sub-
21 clause (I)” in subclause (II) and inserting “an
22 election under subclause (I) for a taxable year”,
23 and

24 (C) by adding at the end the following: “A
25 separate bonus depreciation amount, maximum

1 amount, and maximum increase amount shall
2 be computed for each of the taxpayer's taxable
3 years ending after December 31, 2010, deter-
4 mined by the round 2 extension property placed
5 in service in the taxable year.”.

6 (2) TAXPAYERS NOT PREVIOUSLY ELECTING
7 ACCELERATION.—Clause (iii) of section 168(k)(4)(I)
8 of such Code is amended—

9 (A) by striking “and each” in subclause (I)
10 and inserting “or, by separate elections, any”,

11 (B) by striking “the election under sub-
12 clause (I)” in subclause (II) and inserting “an
13 election under subclause (I) for a taxable year”,
14 and

15 (C) by adding at the end the following: “A
16 separate bonus depreciation amount, maximum
17 amount, and maximum increase amount shall
18 be computed for each of the taxpayer's taxable
19 years ending after December 31, 2010, deter-
20 mined by the round 2 extension property placed
21 in service in the taxable year.”.

22 (3) MAXIMUM AMOUNT.—Clause (ii) of section
23 168(k)(4)(C) of such Code is amended by striking “,
24 reduced (but not below zero) by the sum of the

1 bonus depreciation amounts for all preceding taxable
2 years”.

3 (e) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to property placed in service after
5 December 31, 2010, in taxable years ending after such
6 date.

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