

112TH CONGRESS  
1ST SESSION

# S. 1035

To amend the Internal Revenue Code of 1986 to include automated fire sprinkler systems as section 179 property and classify certain automated fire sprinkler systems as 15-year property for purposes of depreciation.

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IN THE SENATE OF THE UNITED STATES

MAY 19, 2011

Mr. CARPER (for himself, Ms. COLLINS, and Mr. LAUTENBERG) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to include automated fire sprinkler systems as section 179 property and classify certain automated fire sprinkler systems as 15-year property for purposes of 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 “Fire Sprinkler Incen-  
5 tive Act of 2011”.

1 **SEC. 2. AUTOMATED FIRE SPRINKLER SYSTEMS TREATED**  
2 **AS SECTION 179 PROPERTY.**

3 (a) IN GENERAL.—Section 179 of the Internal Rev-  
4 enue Code of 1986 is amended by adding at the end the  
5 following new subsection:

6 “(g) SPECIAL RULES FOR AUTOMATED FIRE SPRIN-  
7 KLER SYSTEMS.—

8 “(1) IN GENERAL.—If a taxpayer elects the ap-  
9 plication of this subsection for any taxable year, the  
10 term ‘section 179 property’ shall include any auto-  
11 mated fire sprinkler system.

12 “(2) AUTOMATED FIRE SPRINKLER SYSTEM.—  
13 For purposes of this subsection, the term ‘auto-  
14 mated fire sprinkler system’ means those sprinkler  
15 systems classified under one or more of the fol-  
16 lowing:

17 “(A) National Fire Protection Association  
18 13, Installation of Sprinkler Systems.

19 “(B) National Fire Protection Association  
20 13 D, Installation of Sprinkler Systems in One  
21 and Two Family Dwellings and Manufactured  
22 Homes or International Residential Code Sec-  
23 tion P2904, Dwelling Unit Fire Sprinkler Sys-  
24 tems.

25 “(C) National Fire Protection Association  
26 13 R, Installation of Sprinkler Systems in Resi-

1           dential Occupancies up to and Including Four  
2           Stories in Height.”.

3           (b) EFFECTIVE DATE.—The amendments made by  
4 this section shall apply to property placed in service after  
5 December 31, 2010.

6 **SEC. 3. CLASSIFICATION OF AUTOMATIC FIRE SPRINKLER**  
7 **SYSTEMS.**

8           (a) IN GENERAL.—Subparagraph (E) of section  
9 168(e)(3) of the Internal Revenue Code of 1986 is amend-  
10 ed by striking “and” at the end of clause (viii), by striking  
11 the period at the end of clause (ix) and inserting “, and”,  
12 and by adding at the end the following:

13                           “(x) any specified automated fire  
14                           sprinkler system.”.

15           (b) APPLICABLE DEPRECIATION METHOD.—Para-  
16 graph (3) of section 168(b) of the Internal Revenue Code  
17 of 1986 is amended by adding at the end the following  
18 new subparagraph:

19                           “(J) Any specified automated fire sprinkler  
20                           system.”.

21           (c) ALTERNATIVE SYSTEM.—The table contained in  
22 section 168(g)(3)(B) of the Internal Revenue Code of  
23 1986 is amended by inserting after the item relating to  
24 subparagraph (E)(ix) the following:

“(E)(x) ..... 39”.

1 (d) DEFINITION OF AUTOMATIC FIRE SPRINKLER  
2 SYSTEM.—Subsection (i) of section 168 of the Internal  
3 Revenue Code of 1986 is amended by adding at the end  
4 the following new paragraph:

5 “(20) SPECIFIED AUTOMATED FIRE SPRINKLER  
6 SYSTEM.—For purposes of this subsection, the term  
7 ‘specified automated fire sprinkler system’ means  
8 any automated sprinkler system (as defined in sec-  
9 tion 179(g)(2)) which is installed in a building where  
10 the floor of any occupiable story is greater than 75  
11 feet above the lowest level of fire department vehicle  
12 access.”.

13 (e) EFFECTIVE DATE.—The amendments made by  
14 this section shall apply to property placed in service after  
15 December 31, 2010.

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