

119TH CONGRESS
1ST SESSION

S. 194

To amend the Internal Revenue Code of 1986 to provide for an election to expense certain qualified sound recording costs otherwise chargeable to capital account.

IN THE SENATE OF THE UNITED STATES

JANUARY 22, 2025

Mrs. BLACKBURN (for herself and Ms. CORTEZ MASTO) 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 for an election to expense certain qualified sound recording costs otherwise chargeable to capital account.

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 “Help Independent
5 Tracks Succeed Act” or the “HITS Act”.

6 **SEC. 2. TREATMENT OF CERTAIN QUALIFIED SOUND RE-**
7 **CORDING PRODUCTIONS.**

8 (a) ELECTION TO TREAT COSTS AS EXPENSES.—
9 Section 181(a)(1) of the Internal Revenue Code of 1986

1 is amended by striking “qualified film or television produc-
 2 tion, and any qualified live theatrical production,” and in-
 3 serting “qualified film or television production, any quali-
 4 fied live theatrical production, and any qualified sound re-
 5 cording production”.

6 (b) DOLLAR LIMITATION.—Section 181(a)(2) of such
 7 Code is amended by adding at the end the following new
 8 paragraph:

9 “(C) QUALIFIED SOUND RECORDING PRO-
 10 Duction.—Paragraph (1) shall not apply to so
 11 much of the aggregate cost of any qualified
 12 sound recording production, or to so much of
 13 the aggregate, cumulative cost of all such quali-
 14 fied sound recording productions in the taxable
 15 year, as exceeds \$150,000.”.

16 (c) NO OTHER DEDUCTION OR AMORTIZATION DE-
 17 Duction ALLOWABLE.—Section 181(b) of such Code is
 18 amended by striking “qualified film or television produc-
 19 tion or any qualified live theatrical production” and insert-
 20 ing “qualified film or television production, any qualified
 21 live theatrical production, or any qualified sound recording
 22 production”.

23 (d) ELECTION.—Section 181(c)(1) of such Code is
 24 amended by striking “qualified film or television produc-
 25 tion or any qualified live theatrical production” and insert-

1 ing “qualified film or television production, any qualified
 2 live theatrical production, or any qualified sound recording
 3 production”.

4 (e) QUALIFIED SOUND RECORDING PRODUCTION
 5 DEFINED.—Section 181 of such Code is amended by re-
 6 designating subsections (f) and (g) as subsections (g) and
 7 (h), respectively, and by inserting after subsection (e) the
 8 following new subsection:

9 “(f) QUALIFIED SOUND RECORDING PRODUCTION.—
 10 For purposes of this section, the term ‘qualified sound re-
 11 cording production’ means a sound recording (as defined
 12 in section 101 of title 17, United States Code) produced
 13 and recorded in the United States.”.

14 (f) BONUS DEPRECIATION.—

15 (1) QUALIFIED SOUND RECORDING PRODUC-
 16 TION AS QUALIFIED PROPERTY.—Section
 17 168(k)(2)(A)(i) of such Code is amended—

18 (A) by striking “or” at the end of sub-
 19 clause (IV), by adding “or” at the end of sub-
 20 clause (V), and by inserting after subclause (V)
 21 the following:

22 “(VI) which is a qualified sound
 23 recording production (as defined in
 24 subsection (f) of section 181) for
 25 which a deduction would have been al-

1 lowable under section 181 without re-
 2 gard to subsections (a)(2) and (h) of
 3 such section or this subsection,”; and
 4 (B) in subclauses (IV) and (V) (as amend-
 5 ed) by striking “without regard to subsections
 6 (a)(2) and (g)” both places it appears and in-
 7 serting “without regard to subsections (a)(2)
 8 and (h)”.

9 (2) PRODUCTION PLACED IN SERVICE.—Section
 10 168(k)(2)(H) of such Code is amended by striking
 11 “and” at the end of clause (i), by striking the period
 12 at the end of clause (ii) and inserting “, and”, and
 13 by adding after clause (ii) the following:

14 “(iii) a qualified sound recording pro-
 15 duction shall be considered to be placed in
 16 service at the time of initial release or
 17 broadcast.”.

18 (g) CONFORMING AMENDMENTS.—

19 (1) The heading for section 181 of such Code
 20 is amended to read as follows: “**TREATMENT OF**
 21 **CERTAIN QUALIFIED PRODUCTIONS.**”.

22 (2) The table of sections for part VI of sub-
 23 chapter B of chapter 1 of such Code is amended by
 24 striking the item relating to section 181 and insert-
 25 ing the following new item:

“Sec. 181. Treatment of certain qualified productions.”.

1 (h) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to productions commencing in tax-
3 able years ending after the date of the enactment of this
4 Act.

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