

110TH CONGRESS
1ST SESSION

S. 271

To amend the Internal Revenue Code of 1986 to provide a shorter recovery period for the depreciation of certain improvements to retail space.

IN THE SENATE OF THE UNITED STATES

JANUARY 11, 2007

Ms. SNOWE (for herself, Mrs. LINCOLN, Mrs. HUTCHISON, and Mr. KERRY) 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 a shorter recovery period for the depreciation of certain improvements to retail space.

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. RECOVERY PERIOD FOR DEPRECIATION OF**
4 **CERTAIN IMPROVEMENTS TO RETAIL SPACE.**

5 (a) 15-YEAR RECOVERY PERIOD.—Subparagraph
6 (E) of section 168(e)(3) of the Internal Revenue Code of
7 1986 (relating to 15-year property) is amended by striking
8 “and” at the end of clause (vii), by striking the period

1 at the end of clause (viii) and inserting “, and”, and by
 2 adding at the end the following new clause:

3 “(ix) any qualified retail improvement
 4 property.”.

5 (b) QUALIFIED RETAIL IMPROVEMENT PROPERTY.—

6 Subsection (e) of section 168 of the Internal Revenue
 7 Code of 1986 is amended by adding at the end the fol-
 8 lowing new paragraph:

9 “(8) QUALIFIED RETAIL IMPROVEMENT PROP-
 10 ERTY.—

11 “(A) IN GENERAL.—The term ‘qualified
 12 retail improvement property’ means any im-
 13 provement to an interior portion of a building
 14 which is nonresidential real property if—

15 “(i) such portion is open to the gen-
 16 eral public and is used in the trade or
 17 business of selling tangible personal prop-
 18 erty or services to the general public; and

19 “(ii) such improvement is placed in
 20 service more than 3 years after the date
 21 the building was first placed in service.

22 “(B) CERTAIN IMPROVEMENTS NOT IN-
 23 CLUDED.—Such term shall not include any im-
 24 provement for which the expenditure is attrib-
 25 utable to—

1 “(i) the enlargement of the building,
 2 “(ii) any elevator or escalator, or
 3 “(iii) the internal structural frame-
 4 work of the building.”.

5 (c) REQUIREMENT TO USE STRAIGHT LINE METH-
 6 OD.—Paragraph (3) of section 168(b) of the Internal Rev-
 7 enue Code of 1986 is amended by adding at the end the
 8 following new subparagraph:

9 “(I) Qualified retail improvement property
 10 described in subsection (e)(8).”.

11 (d) ALTERNATIVE SYSTEM.—The table contained in
 12 section 168(g)(3)(B) of the Internal Revenue Code of
 13 1986 is amended by inserting after the item relating to
 14 subparagraph (E)(viii) the following new item:

 “(E)(ix) 39”.

15 (e) EFFECTIVE DATE.—The amendments made by
 16 this section shall apply to qualified retail improvement
 17 property placed in service after the date of the enactment
 18 of this Act.

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