

110<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# S. 297

To amend the Internal Revenue Code of 1986 to provide 15-year straight-line cost recovery for certain improvements to retail space and for qualified new restaurant improvements and to expand the eligibility for the work opportunity tax credit to all disabled veterans.

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## IN THE SENATE OF THE UNITED STATES

JANUARY 16, 2007

Mr. SALAZAR 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 provide 15-year straight-line cost recovery for certain improvements to retail space and for qualified new restaurant improvements and to expand the eligibility for the work opportunity tax credit to all disabled veterans.

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; AMENDMENT OF CODE.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Business Relief and Incentives for Small Entrepreneurs  
6 Act of 2007” or the “Business RAISE Act”.

1 (b) AMENDMENT OF 1986 CODE.—Except as other-  
 2 wise expressly provided, whenever in this Act an amend-  
 3 ment or repeal is expressed in terms of an amendment  
 4 to, or repeal of, a section or other provision, the reference  
 5 shall be considered to be made to a section or other provi-  
 6 sion of the Internal Revenue Code of 1986.

7 **SEC. 2. 15-YEAR STRAIGHT-LINE COST RECOVERY FOR CER-**  
 8 **TAIN IMPROVEMENTS TO RETAIL SPACE AND**  
 9 **FOR QUALIFIED NEW RESTAURANT IMPROVE-**  
 10 **MENTS.**

11 (a) RECOVERY PERIOD FOR DEPRECIATION OF CER-  
 12 TAIN IMPROVEMENTS TO RETAIL SPACE.—

13 (1) 15-YEAR RECOVERY PERIOD.—Section  
 14 168(e)(3)(E) (relating to 15-year property) is  
 15 amended by striking “and” at the end of clause  
 16 (vii), by striking the period at the end of clause (viii)  
 17 and inserting “, and”, and by adding at the end the  
 18 following new clause:

19 “(ix) any qualified retail improvement  
 20 property placed in service before January  
 21 1, 2008.”.

22 (2) QUALIFIED RETAIL IMPROVEMENT PROP-  
 23 erty.—Section 168(e) is amended by adding at the  
 24 end the following new paragraph:

1           “(8) QUALIFIED RETAIL IMPROVEMENT PROP-  
2        ERTY.—

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

7           “(i) such portion is open to the gen-  
8        eral public and is used in the trade or  
9        business of selling tangible personal prop-  
10       erty or services to the general public; and

11          “(ii) such improvement is placed in  
12        service more than 3 years after the date  
13        the building was first placed in service.

14          “(B) CERTAIN IMPROVEMENTS NOT IN-  
15        CLUDED.—Such term shall not include any im-  
16        provement for which the expenditure is attrib-  
17        utable to—

18          “(i) the enlargement of the building,

19          “(ii) any elevator or escalator, or

20          “(iii) the internal structural frame-  
21        work of the building.”.

22          (3) REQUIREMENT TO USE STRAIGHT LINE  
23        METHOD.—Section 168(b)(3) is amended by adding  
24        at the end the following new subparagraph:

1                   “(I) Qualified retail improvement property  
2                   described in subsection (e)(8).”.

3                   (4) ALTERNATIVE SYSTEM.—The table con-  
4                   tained in section 168(g)(3)(B) is amended by insert-  
5                   ing after the item relating to subparagraph (E)(viii)  
6                   the following new item:

“ (E)(ix) ..... 39”.

7                   (5) EFFECTIVE DATE.—The amendments made  
8                   by this section shall apply to qualified retail im-  
9                   provement property placed in service after the date  
10                  of the enactment of this Act.

11                  (b) MODIFICATION OF TREATMENT OF QUALIFIED  
12 RESTAURANT PROPERTY AS 15-YEAR PROPERTY FOR  
13 PURPOSES OF DEPRECIATION DEDUCTION.—

14                  (1) TREATMENT TO INCLUDE NEW CONSTRUC-  
15                  TION.—Paragraph (7) of section 168(e) (relating to  
16                  classification of property) is amended to read as fol-  
17                  lows:

18                  “(7) QUALIFIED RESTAURANT PROPERTY.—The  
19                  term ‘qualified restaurant property’ means any sec-  
20                  tion 1250 property which is a building or an im-  
21                  provement to a building if more than 50 percent of  
22                  the building’s square footage is devoted to prepara-

1 tion of, and seating for on-premises consumption of,  
2 prepared meals.”.

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

7 **SEC. 3. WORK OPPORTUNITY TAX CREDIT.**

8 (a) EXPANSION OF ELIGIBILITY TO ALL DISABLED  
9 VETERANS.—Section 51(d)(3)(A) is amended—

10 (1) by striking “who is certified” and inserting  
11 the following: “who—

12 “(i) is certified”; and

13 (2) by striking the period at the end and insert-  
14 ing the following: “; or

15 “(ii) has a disability rating under sec-  
16 tion 1155 of title 38, United States Code,  
17 of not less than 10 percent.”.

18 (b) PUBLICATION AND ADMINISTRATION OF EX-  
19 PANDED TAX CREDIT.—

20 (1) IN GENERAL.—The Secretary of Labor  
21 shall—

22 (A) publicize the expansion of the work op-  
23 portunity tax credit under subsection (a); and

24 (B) provide technical assistance to employ-  
25 ers desiring to take advantage of the tax credit.

1           (2) AUTHORIZATION OF APPROPRIATIONS.—

2           There are authorized to be appropriated to the Sec-  
3           retary of Labor \$2,500,000 for each of fiscal years  
4           2008 through 2012 to carry out paragraph (1).

5           (c) EFFECTIVE DATE.—The amendments made by  
6           this section shall apply to individuals who begin work for  
7           employers after the date of the enactment of this Act.

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