

110TH CONGRESS
2D SESSION

S. 2885

To amend the Internal Revenue Code of 1986 to expand the availability of industrial development bonds to facilities manufacturing intangible property.

IN THE SENATE OF THE UNITED STATES

APRIL 17, 2008

Ms. SNOWE (for herself, Mr. KERRY, Mr. SMITH, and Mr. BROWN) 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 expand the availability of industrial development bonds to facilities manufacturing intangible property.

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. EXPANSION OF AVAILABILITY OF INDUSTRIAL**
4 **DEVELOPMENT BONDS TO FACILITIES MANU-**
5 **FACTURING INTANGIBLE PROPERTY.**

6 (a) EXPANSION TO INTANGIBLE PROPERTY.—

7 (1) IN GENERAL.—The first sentence of section
8 144(a)(12)(C) of the Internal Revenue Code of 1986
9 (defining manufacturing facility) is amended—

1 (A) by inserting “, creation,” after “used
2 in the manufacturing”, and

3 (B) by inserting “or intangible property
4 which is described in section 197(d)(1)(C)(iii)”
5 before the period at the end.

6 (2) CLARIFICATION.—The last sentence of sec-
7 tion 144(a)(12)(C) of such Code is amended to read
8 as follows: “For purposes of the first sentence of
9 this subparagraph, the term ‘manufacturing facility’
10 includes—

11 “(i) facilities which are functionally
12 related and subordinate to a manufac-
13 turing facility (determined without regard
14 to this clause), and

15 “(ii) facilities which are directly re-
16 lated and ancillary to a manufacturing fa-
17 cility (determined without regard to this
18 clause) if—

19 “(I) such facilities are located on
20 the same site as the manufacturing
21 facility, and

22 “(II) not more than 25 percent
23 of the net proceeds of the issue are
24 used to provide such facilities.”.

1 (b) **EFFECTIVE DATE.**—The amendments made by
2 this section shall apply to bonds issued after the date of
3 the enactment of this Act.

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