

Herger Amendment #1 (Small Business Expensing)

Makes permanent the \$250,000 allowance and \$800,000 phaseout level for small business expensing under Section 179, and provides indexing for inflation.

AMENDMENT TO H.R.**OFFERED BY MR. HERGER OF CALIFORNIA**

At the end of subtitle A of title I of the bill, insert the following new section (and conform the table of contents accordingly):

1 SEC. 102. INCREASED EXPENSING FOR SMALL BUSINESS**2 MADE PERMANENT.**

3 (a) IN GENERAL.—Paragraph (1) of section 179(b)
4 (relating to dollar limitation) is amended by striking
5 “\$25,000” and all that follows and inserting “\$250,000.”.

6 (b) PHASEOUT.—Paragraph (2) of section 179(b)
7 (relating to reduction in limitation) is amended by striking
8 “\$200,000” and all that follows and inserting
9 “\$800,000.”.

10 (c) REBASING OF INFLATION ADJUSTMENTS.—Sec-
11 tion 179(b)(5)(A) (relating to inflation adjustments) is
12 amended—

13 (1) in the matter preceding clause (i) by strik-
14 ing “2007 and before 2011, the \$125,000 and
15 \$500,000” and inserting “2009, the \$250,000 and
16 \$800,000”, and

17 (2) in clause (ii) by striking “calendar year
18 2006” and inserting “calendar year 2008”.

1 (d) REVOCATION OF ELECTION MADE PERMA-
2 NENT.—Section 179(e)(2) (relating to election irrev-
3 ocable) is amended by striking “and before 2011”.

4 (e) OFF-THE-SHELF COMPUTER SOFTWARE.—Sec-
5 tion 179(d)(1)(A)(ii) (relating to section 179 property) is
6 amended by striking “and before 2011”.

7 (f) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to property placed in service in
9 taxable years beginning after December 31, 2009.”.

