

AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 9, AS REPORTED
OFFERED BY _____

Strike all after the enacting clause and insert the following:

1 **SECTION 1. EXTENSION OF ALLOWANCE FOR BONUS DE-**
2 **PRECIATION FOR CERTAIN BUSINESS AS-**
3 **SETS.**

4 (a) EXTENSION OF 100 PERCENT BONUS DEPRECIATION.—
5 TION.—

6 (1) IN GENERAL.—Paragraph (5) of section
7 168(k) of the Internal Revenue Code of 1986 is
8 amended—

9 (A) by striking “January 1, 2012” each
10 place it appears and inserting “January 1,
11 2013”, and

12 (B) by striking “January 1, 2013” and in-
13 serting “January 1, 2014”.

14 (2) CONFORMING AMENDMENTS.—

15 (A) The heading for paragraph (5) of sec-
16 tion 168(k) of such Code is amended by strik-
17 ing “PRE-2012 PERIODS” and inserting “PRE-
18 2013 PERIODS”.

1 (B) Clause (ii) of section 460(c)(6)(B) of
2 such Code is amended to read as follows:

3 “(ii) is placed in service—

4 “(I) after December 31, 2009,
5 and before January 1, 2011 (January
6 1, 2012, in the case of property de-
7 scribed in section 168(k)(2)(B)), or

8 “(II) after December 31, 2011,
9 and before January 1, 2013 (January
10 1, 2014, in the case of property de-
11 scribed in section 168(k)(2)(B)).”.

12 (3) EFFECTIVE DATE.—The amendments made
13 by this subsection shall apply to property placed in
14 service after December 31, 2011.

15 (b) EXPANSION OF ELECTION TO ACCELERATE AMT
16 CREDITS IN LIEU OF BONUS DEPRECIATION.—

17 (1) IN GENERAL.—Paragraph (4) of section
18 168(k) of such Code is amended to read as follows:

19 “(4) ELECTION TO ACCELERATE AMT CREDITS
20 IN LIEU OF BONUS DEPRECIATION.—

21 “(A) IN GENERAL.—If a corporation elects
22 to have this paragraph apply for any taxable
23 year—

24 “(i) paragraph (1) shall not apply to
25 any eligible qualified property placed in

1 service by the taxpayer in such taxable
2 year,

3 “(ii) the applicable depreciation meth-
4 od used under this section with respect to
5 such property shall be the straight line
6 method, and

7 “(iii) the limitation imposed by section
8 53(c) for such taxable year shall be in-
9 creased by the bonus depreciation amount
10 which is determined for such taxable year
11 under subparagraph (B).

12 “(B) BONUS DEPRECIATION AMOUNT.—
13 For purposes of this paragraph—

14 “(i) IN GENERAL.—The bonus depre-
15 ciation amount for any taxable year is an
16 amount equal to 20 percent of the excess
17 (if any) of—

18 “(I) the aggregate amount of de-
19 preciation which would be allowed
20 under this section for eligible qualified
21 property placed in service by the tax-
22 payer during such taxable year if
23 paragraph (1) applied to all such
24 property, over

1 “(II) the aggregate amount of
2 depreciation which would be allowed
3 under this section for eligible qualified
4 property placed in service by the tax-
5 payer during such taxable year if
6 paragraph (1) did not apply to any
7 such property.

8 The aggregate amounts determined under
9 subclauses (I) and (II) shall be determined
10 without regard to any election made under
11 subsection (b)(2)(D), (b)(3)(D), or (g)(7)
12 and without regard to subparagraph
13 (A)(ii).

14 “(ii) LIMITATION.—The bonus depre-
15 ciation amount for any taxable year shall
16 not exceed the lesser of—

17 “(I) 50 percent of the minimum
18 tax credit under section 53(b) for the
19 first taxable year ending after Decem-
20 ber 31, 2011, or

21 “(II) the minimum tax credit
22 under section 53(b) for such taxable
23 year determined by taking into ac-
24 count only the adjusted minimum tax
25 for taxable years ending before Janu-

1 ary 1, 2012 (determined by treating
2 credits as allowed on a first-in, first-
3 out basis).

4 “(iii) AGGREGATION RULE.—All cor-
5 porations which are treated as a single em-
6 ployer under section 52(a) shall be treat-
7 ed—

8 “(I) as 1 taxpayer for purposes
9 of this paragraph, and

10 “(II) as having elected the appli-
11 cation of this paragraph if any such
12 corporation so elects.

13 “(C) ELIGIBLE QUALIFIED PROPERTY.—
14 For purposes of this paragraph, the term ‘eligi-
15 ble qualified property’ means qualified property
16 under paragraph (2), except that in applying
17 paragraph (2) for purposes of this paragraph—

18 “(i) ‘March 31, 2008’ shall be sub-
19 stituted for ‘December 31, 2007’ each
20 place it appears in subparagraph (A) and
21 clauses (i) and (ii) of subparagraph (E)
22 thereof,

23 “(ii) ‘April 1, 2008’ shall be sub-
24 stituted for ‘January 1, 2008’ in subpara-
25 graph (A)(iii)(I) thereof, and

1 “(iii) only adjusted basis attributable
2 to manufacture, construction, or produc-
3 tion—

4 “(I) after March 31, 2008, and
5 before January 1, 2010, and

6 “(II) after December 31, 2010,
7 and before January 1, 2013, shall be
8 taken into account under subpara-
9 graph (B)(ii) thereof.

10 “(D) CREDIT REFUNDABLE.—For pur-
11 poses of section 6401(b), the aggregate increase
12 in the credits allowable under part IV of sub-
13 chapter A for any taxable year resulting from
14 the application of this paragraph shall be treat-
15 ed as allowed under subpart C of such part
16 (and not any other subpart).

17 “(E) OTHER RULES.—

18 “(i) ELECTION.—Any election under
19 this paragraph may be revoked only with
20 the consent of the Secretary.

21 “(ii) PARTNERSHIPS WITH ELECTING
22 PARTNERS.—In the case of a corporation
23 making an election under subparagraph
24 (A) and which is a partner in a partner-
25 ship, for purposes of determining such cor-

1 poration’s distributive share of partnership
2 items under section 702—

3 “**(I)** paragraph (1) shall not
4 apply to any eligible qualified prop-
5 erty, and

6 “**(II)** the applicable depreciation
7 method used under this section with
8 respect to such property shall be the
9 straight line method.

10 “**(iii) CERTAIN PARTNERSHIPS.**—In
11 the case of a partnership in which more
12 than 50 percent of the capital and profits
13 interests are owned (directly or indirectly)
14 at all times during the taxable year by one
15 corporation (or by corporations treated as
16 1 taxpayer under subparagraph (B)(iii)),
17 for purposes of subparagraph (B), each
18 partner shall take into account its distribu-
19 tive share of the amounts determined by
20 the partnership under subclauses (I) and
21 (II) of clause (i) of such subparagraph for
22 the taxable year of the partnership ending
23 with or within the taxable year of the part-
24 ner. The preceding sentence shall apply
25 only to amounts determined with respect to

1 property placed in service after December
2 31, 2011.

3 “(iv) SPECIAL RULE FOR PASSENGER
4 AIRCRAFT.—In the case of any passenger
5 aircraft, the written binding contract limi-
6 tation under paragraph (2)(A)(iii)(I) shall
7 not apply for purposes of subparagraphs
8 (B)(i)(I) and (C).”.

9 (2) EFFECTIVE DATE.—The amendment made
10 by this subsection shall apply to taxable years end-
11 ing after December 31, 2011.

12 (3) TRANSITIONAL RULE.—In the case of a tax-
13 able year beginning before January 1, 2012, and
14 ending after December 31, 2011, the bonus depre-
15 ciation amount determined under paragraph (4) of
16 section 168(k) of Internal Revenue Code of 1986 for
17 such year shall be the sum of—

18 (A) such amount determined under such
19 paragraph as in effect on the date before the
20 date of enactment of this Act—

21 (i) taking into account only property
22 placed in service before January 1, 2012,
23 and

24 (ii) multiplying the limitation under
25 subparagraph (C)(ii) of such paragraph (as

1 so in effect) by a fraction the numerator of
2 which is the number of days in the taxable
3 year before January 1, 2012, and the de-
4 nominator of which is the number of days
5 in the taxable year, and

6 (B) such amount determined under such
7 paragraph as amended by this Act—

8 (i) taking into account only property
9 placed in service after December 31, 2011,
10 and

11 (ii) multiplying the limitation under
12 subparagraph (B)(ii) of such paragraph
13 (as so in effect) by a fraction the numer-
14 ator of which is the number of days in the
15 taxable year after December 31, 2011, and
16 the denominator of which is the number of
17 days in the taxable year.

18 **SEC. 2. DEDUCTION FOR INCOME ATTRIBUTABLE TO DO-**
19 **MESTIC PRODUCTION ACTIVITIES NOT AL-**
20 **LOWED WITH RESPECT TO OIL AND GAS AC-**
21 **TIVITIES OF MAJOR INTEGRATED OIL COM-**
22 **PANIES.**

23 (a) **IN GENERAL.**—Subparagraph (A) of section
24 199(d)(9) of the Internal Revenue Code of 1986 is amend-
25 ed by inserting “(9 percent in the case of any major inte-

1 graded oil company (as defined in section 167(h)(5)))”
2 after “3 percent”.

3 (b) EFFECTIVE DATE.—The amendment made by
4 subsection (a) shall apply to taxable years beginning after
5 the date of the enactment of this Act.

