To amend the Internal Revenue Code of 1986 to include automated fire sprinkler system retrofits as section 179 property and classify certain automated fire sprinkler system retrofits as 15-year property for purposes of depreciation.

IN THE HOUSE OF REPRESENTATIVES

September 22, 2015

Mr. Reed (for himself and Mr. Langevin) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to include automated fire sprinkler system retrofits as section 179 property and classify certain automated fire sprinkler system retrofits as 15-year property for purposes of depreciation.

1 Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

2 SECTION 1. SHORT TITLE.

3 This Act may be cited as the “Fire Sprinkler Incentive Act”.


SEC. 2. AUTOMATED FIRE SPRINKLER SYSTEM RETROFITS TREATED AS SECTION 179 PROPERTY.

(a) IN GENERAL.—Section 179(d)(1)(B) of the Internal Revenue Code of 1986 is amended to read as follows:

“(B) which is—

“(i) automated fire sprinkler system retrofit property (as defined in section 168(i)(20) determined without regard to subparagraph (A)(i)(II) thereof), or

“(ii) section 1245 property (as defined in section 1245(a)(3)), and’’.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act.

SEC. 3. CLASSIFICATION OF CERTAIN AUTOMATED FIRE SPRINKLER SYSTEM RETROFITS.

(a) TREATMENT AS 15-YEAR PROPERTY.—Section 168(e)(3)(E) of the Internal Revenue Code of 1986 is amended by striking “and” at the end of clause (viii), by striking the period at the end of clause (ix) and inserting “, and”, and by adding at the end the following:

“(x) any automated fire sprinkler system retrofit property.”.

(b) APPLICABLE DEPRECIATION METHOD.—Section 168(b)(3) of such Code is amended by adding at the end the following new subparagraph:
“(J) Any automated fire sprinkler system retrofit property.”.

(c) ALTERNATIVE SYSTEM.—The table contained in section 168(g)(3)(B) of such Code is amended by inserting after the item relating to subparagraph (E)(ix) the following:

“(E)(x) .................................................................................................... 39”.

(d) DEFINITION OF AUTOMATED FIRE SPRINKLER SYSTEM RETROFIT PROPERTY.—Section 168(i) of such Code is amended by adding at the end the following new paragraph:

“(20) AUTOMATED FIRE SPRINKLER SYSTEM RETROFIT PROPERTY.—

“(A) IN GENERAL.—The term ‘automated fire sprinkler system retrofit property’ means any property which comprises a sprinkler system which—

“(i) is installed in a building or structure which—

“(I) was placed in service before the date on which such sprinkler system is placed in service, and

“(II) has an occupiable story the floor of which is more than 75 feet above the lowest level of fire department vehicle access, and
“(ii) is classified under one or more of the following:


“(B) Exception for certain installations required by law.—Such term shall not include any sprinkler system the installation of which is required by State or local law by reason of the degree of additions or improvements made to such building or structure.”.
(c) **Effective Date.**—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act.