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 SENATE OF THE UNITED STATES

September 22, 2015
Ms. Collins (for herself and Mr. Carper) 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 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.

Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

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:

“(I) National Fire Protection As-
association 13, Installation of Sprinkler
Systems.

“(II) National Fire Protection
Association 13 D, Installation of
Sprinkler Systems in One and Two
Family Dwellings and Manufactured
Homes or International Residential
Code Section P2904, Dwelling Unit
Fire Sprinkler Systems.

“(III) National Fire Protection
Association 13 R, Installation of
Sprinkler Systems in Residential Oc-
cupancies up to and Including Four
Stories in Height.

“(B) Exception for Certain Installa-
tions Required by Law.—Such term shall not
include any sprinkler system the installation of
which is required by State or local law by rea-
son 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.