

107TH CONGRESS  
1ST SESSION

# H. R. 276

To amend the Internal Revenue Code of 1986 to clarify that natural gas gathering lines are 7-year property for purposes of depreciation.

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IN THE HOUSE OF REPRESENTATIVES

JANUARY 30, 2001

Mr. SAM JOHNSON (for himself, Mr. WATKINS, and Mr. MCCRERY) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to clarify that natural gas gathering lines are 7-year property for purposes of depreciation.

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. NATURAL GAS GATHERING LINES TREATED AS**  
4 **7-YEAR PROPERTY.**

5 (a) IN GENERAL.—Subparagraph (C) of section  
6 168(e)(3) of the Internal Revenue Code of 1986 (relating  
7 to classification of certain property) is amended by redес-  
8 ignating clause (ii) as clause (iii) and by inserting after  
9 clause (i) the following new clause:

1                   “(ii) any natural gas gathering line,  
2                   and”.

3           (b) NATURAL GAS GATHERING LINE.—Subsection (i)  
4 of section 168 of such Code is amended by adding at the  
5 end the following new paragraph:

6                   “(15) NATURAL GAS GATHERING LINE.—The  
7           term ‘natural gas gathering line’ means—

8                           “(A) the pipe, equipment, and appur-  
9                           tenances determined to be a gathering line by  
10                           the Federal Energy Regulatory Commission, or

11                           “(B) the pipe, equipment, and appur-  
12                           tenances used to deliver natural gas from the  
13                           wellhead or a common point to the point at  
14                           which such gas first reaches—

15                                   “(i) a gas processing plant,

16                                   “(ii) an interconnection with a trans-  
17                                   mission pipeline certificated by the Federal  
18                                   Energy Regulatory Commission as an  
19                                   interstate transmission pipeline,

20                                   “(iii) an interconnection with an  
21                                   intrastate transmission pipeline, or

22                                   “(iv) a direct interconnection with a  
23                                   local distribution company, a gas storage  
24                                   facility, or an industrial consumer.”.

1       (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to property placed in service be-  
3 fore, on, or after the date of the enactment of this Act.

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