

110TH CONGRESS
2D SESSION

S. 2552

To amend the Internal Revenue Code of 1986 to provide a stimulus to small businesses by increasing expensing for small businesses in 2008, extending the length of the carryback period for net operating losses during 2007 and 2008, and extending the research and development credit.

IN THE SENATE OF THE UNITED STATES

JANUARY 24, 2008

Ms. SNOWE (for herself, Mr. KERRY, and Mr. COLEMAN) 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 provide a stimulus to small businesses by increasing expensing for small businesses in 2008, extending the length of the carryback period for net operating losses during 2007 and 2008, and extending the research and development credit.

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. SHORT TITLE.**

4 This Act may be cited as the “Small Business Stim-
5 ulus Act of 2008”.

1 **SEC. 2. INCREASED EXPENSING FOR SMALL BUSINESSES.**

2 (a) IN GENERAL.—Subsection (b) of section 179 of
3 the Internal Revenue Code fo 1986 is amended by adding
4 at the end the following new paragraph:

5 “(7) SPECIAL RULES FOR 2008.—In the case of
6 any taxable year beginning in 2008, this subsection
7 shall be applied—

8 (A) by substituting ‘\$200,000’ for
9 ‘\$25,000 (\$125,000 in the case of taxable years
10 beginning after 2006 and before 2011)’ in para-
11 graph (1), and

12 (B) by substituting ‘\$800,000’ for
13 ‘\$200,000 (\$500,000 in the case of taxable
14 years beginning after 2006 and before 2011)’.”.

15 (b) EFFECTIVE DATE.—The amendment made by
16 this section shall apply to taxable years beginning after
17 December 31, 2007.

18 **SEC. 3. CARRYBACK OF CERTAIN NET OPERATING LOSSES**
19 **ALLOWED FOR 5 YEARS; TEMPORARY SUS-**
20 **PENSION OF 90 PERCENT AMT LIMIT.**

21 (a) IN GENERAL.—Subparagraph (H) of section
22 172(b)(1) of the Internal Revenue Code of 1986 is amend-
23 ed—

24 (1) by inserting “-YEAR CARRYBACK OF CER-
25 TAIN LOSSES.—” after “(H)”, and

1 (2) by striking “or 2002” and inserting “,
2 2002, 2007, or 2008”.

3 (b) TEMPORARY SUSPENSION OF 90 PERCENT LIMIT
4 ON CERTAIN NOL CARRYBACKS.—Subclause (I) of sec-
5 tion 56(d)(1)(A)(ii) of the Internal Revenue Code of 1986
6 is amended—

7 (1) by striking “or 2002” and inserting “,
8 2002, 2007, or 2008”, and

9 (2) by striking “and 2002” and inserting “,
10 2002, 2007, or 2008”.

11 (c) EFFECTIVE DATES.—

12 (1) IN GENERAL.—Except as provided in para-
13 graph (2), the amendments made by this section
14 shall apply to net operating losses for taxable years
15 ending after December 31, 2006.

16 (2) ELECTION.—In the case of a net operating
17 loss for a taxable year ending during 2007 or
18 2008—

19 (A) any election made under section
20 172(b)(3) of the Internal Revenue Code of
21 1986 may (notwithstanding such section) be re-
22 voked before November 1, 2008, and

23 (B) any election made under section 172(j)
24 of such Code shall (notwithstanding such sec-

1 tion) be treated as timely made if made before
2 November 1, 2008.

3 **SEC. 4. EXTENSION OF RESEARCH CREDIT.**

4 (a) **IN GENERAL.**—Section 41(h) of the Internal Rev-
5 enue Code of 1986 (relating to termination) is amended
6 by striking “December 31, 2007” and inserting “Decem-
7 ber 31, 2008”.

8 (b) **CONFORMING AMENDMENT.**—Subparagraph (D)
9 of section 45C(b)(1) of such Code (relating to special rule)
10 is amended by striking “December 31, 2007” and insert-
11 ing “December 31, 2008”.

12 (c) **EFFECTIVE DATE.**—The amendments made by
13 this section shall apply to amounts paid or incurred after
14 December 31, 2007.

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