

113TH CONGRESS
1ST SESSION

S. 1163

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

JUNE 13, 2013

Mr. CARPER (for himself and Ms. COLLINS) 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.

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 “Fire Sprinkler Incen-
5 tive Act”.

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

3 (a) IN GENERAL.—Subparagraph (B) of section
 4 179(d)(1) of the Internal Revenue Code of 1986 is amend-
 5 ed to read as follows:

6 “(B) which is—

7 “(i) automated fire sprinkler system
 8 retrofit property (as defined in section
 9 168(i)(20) determined without regard to
 10 subparagraph (A)(ii) thereof), or

11 “(ii) section 1245 property (as defined
 12 in section 1245(a)(3)), and”.

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

16 **SEC. 3. CLASSIFICATION OF CERTAIN AUTOMATED FIRE**
 17 **SPRINKLER SYSTEM RETROFITS.**

18 (a) TREATMENT AS 15-YEAR PROPERTY.—Subpara-
 19 graph (E) of section 168(e)(3) of the Internal Revenue
 20 Code of 1986 is amended by striking “and” at the end
 21 of clause (viii), by striking the period at the end of clause
 22 (ix) and inserting “, and”, and by adding at the end the
 23 following:

24 “(x) any automated fire sprinkler sys-
 25 tem retrofit property.”.

1 (b) APPLICABLE DEPRECIATION METHOD.—Para-
 2 graph (3) of section 168(b) of the Internal Revenue Code
 3 of 1986 is amended by adding at the end the following
 4 new subparagraph:

5 “(J) Any automated fire sprinkler system
 6 retrofit property.”.

7 (c) ALTERNATIVE SYSTEM.—The table contained in
 8 section 168(g)(3)(B) of the Internal Revenue Code of
 9 1986 is amended by inserting after the item relating to
 10 subparagraph (E)(ix) the following:

“(E)(x) 39”.

11 (d) DEFINITION OF AUTOMATED FIRE SPRINKLER
 12 SYSTEM RETROFIT PROPERTY.—Subsection (i) of section
 13 168 of the Internal Revenue Code of 1986 is amended by
 14 adding at the end the following new paragraph:

15 “(20) AUTOMATED FIRE SPRINKLER SYSTEM
 16 RETROFIT PROPERTY.—The term ‘automated fire
 17 sprinkler system retrofit property’ means any prop-
 18 erty which comprises a sprinkler system which—

19 “(A) is installed in a building or structure
 20 which—

21 “(i) was placed in service before the
 22 date on which such sprinkler system is
 23 placed in service, and

24 “(ii) has an occupiable story the floor
 25 of which is more than 75 feet above the

1 lowest level of fire department vehicle ac-
2 cess, and

3 “(B) is classified under one or more of the
4 following:

5 “(i) National Fire Protection Associa-
6 tion 13, Installation of Sprinkler Systems.

7 “(ii) National Fire Protection Asso-
8 ciation 13 D, Installation of Sprinkler Sys-
9 tems in One and Two Family Dwellings
10 and Manufactured Homes or International
11 Residential Code Section P2904, Dwelling
12 Unit Fire Sprinkler Systems.

13 “(iii) National Fire Protection Asso-
14 ciation 13 R, Installation of Sprinkler Sys-
15 tems in Residential Occupancies up to and
16 Including Four Stories in Height.”.

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

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