

2013 -- H 5478

=====
LC01324
=====

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2013

—————
A N A C T

RELATING TO TAXATION - DEPRECIATION OF ASSETS AND NET OPERATING LOSS

Introduced By: Representatives Valencia, Nunes, San Bento, Keable, and Silva

Date Introduced: February 14, 2013

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 44-61-1.1 of the General Laws in Chapter 44-61 entitled "Relating
2 To Depreciation of Assets and Net Operating Loss Deduction" is hereby amended to read as
3 follows:

4 **44-61-1.1. Expensing in lieu of depreciation of assets.** -- (a) For purposes of expensing
5 of assets under chapters 11, 14 and 30 of this title, the expense deduction shall not exceed the sum
6 provided for ~~twenty five thousand dollars (\$25,000) in any taxable year. The additional expensing~~
7 ~~of assets for federal tax purposes~~ under section 179 of the Internal Revenue Code, 26 U.S.C.
8 section 179 ~~provided by the Jobs and Growth Tax Relief Reconciliation Act of 2003 or any~~
9 ~~subsequent federal enactment shall not be allowed for Rhode Island tax purposes.~~ In the year that
10 those assets are placed in service expensing of assets ~~and in all subsequent years, expenses and~~
11 ~~depreciation~~ for Rhode Island tax purposes shall be allowed in the same manner as is provided for
12 under section 179 of the internal revenue code 26 U.S.C. section 179 ~~on those assets as it would~~
13 ~~have been computed prior to the enactment of the Jobs and Growth Tax Relief Reconciliation Act~~
14 ~~of 2003.~~ Any remaining tax basis of the asset purchased shall be depreciated as provided for
15 under the internal revenue service code sections 167 and 168, excluding section 168(k).

16 (b) The gain resulting from any subsequent disposition of these assets shall be computed
17 using a basis consistent with the Rhode Island expenses and depreciation allowed under
18 subsection (a) of this section.

1 SECTION 2. This act shall take effect on January 1, 2014, and shall apply to all assets
2 placed in service on or after January 1, 2014.

=====
LC01324
=====

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO TAXATION - DEPRECIATION OF ASSETS AND NET OPERATING LOSS

1 This act would allow the expensing of assets in lieu of depreciation as provided under
2 section 179 of the internal revenue code 26 U.S.C. section 179.

3 This act would take effect on January 1, 2014, and shall apply to all assets placed in
4 service on or after January 1, 2014.

=====
LC01324
=====