

2013 -- S 0744

LC01967

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
DEDUCTION

Introduced By: Senators DaPonte, Bates, Pearson, DiPalma, and Felag

Date Introduced: March 13, 2013

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

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

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

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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RELATING TO TAXATION - DEPRECIATION OF ASSETS AND NET OPERATING LOSS
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- 1 This act would permit the expensing of assets in lieu of depreciation in the same manner
2 as is provided for under 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.

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