

PART II—SMALL BUSINESS REFORMS

SEC. 13101. MODIFICATIONS OF RULES FOR EXPENSING DEPRECIABLE BUSINESS ASSETS.

(a) INCREASE IN LIMITATION.—

(1) DOLLAR LIMITATION.—Section 179(b)(1) is amended by striking “\$500,000” and inserting “\$1,000,000”.

(2) REDUCTION IN LIMITATION.—Section 179(b)(2) is amended by striking “\$2,000,000” and inserting “\$2,500,000”. (3) INFLATION ADJUSTMENTS.—

(A) IN GENERAL.—Subparagraph (A) of section 179(b)(6), as amended by section 11002(d), is amended—

(i) by striking “2015” and inserting “2018”, and

(ii) in clause (ii), by striking “calendar year 2014” and inserting “calendar year 2017”.

(B) SPORT UTILITY VEHICLES.—Section 179(b)(6) is amended—

(i) in subparagraph (A), by striking “paragraphs (1) and (2)” and inserting “paragraphs (1), (2), and (5)(A)”, and

(ii) in subparagraph (B), by inserting “(\$100 in the case of any increase in the amount under paragraph (5)(A))” after “\$10,000”.

(b) SECTION 179 PROPERTY TO INCLUDE QUALIFIED REAL PROPERTY.—

(1) IN GENERAL.—Subparagraph (B) of section 179(d)(1) is amended to read as follows:

“(B) which is—

“(i) section 1245 property (as defined in section 1245(a)(3)), or

“(ii) at the election of the taxpayer, qualified real property (as defined in subsection (f)), and”.

(2) QUALIFIED REAL PROPERTY DEFINED.—Subsection (f) of section 179 is amended to read as follows:

“(f) QUALIFIED REAL PROPERTY.—For purposes of this section, the term ‘qualified real property’ means—

“(1) any qualified improvement property described in section 168(e)(6), and

“(2) any of the following improvements to nonresidential real property placed in service after the date such property was first placed in service:

“(A) Roofs.

“(B) Heating, ventilation, and air-conditioning property.

“(C) Fire protection and alarm systems. “(D) Security systems.”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service in taxable years beginning after December 31, 2017.