

S 2885 IS

110th CONGRESS
2d Session
S. 2885

To amend the Internal Revenue Code of 1986 to expand the availability of industrial development bonds to facilities manufacturing intangible property.

IN THE SENATE OF THE UNITED STATES

April 17, 2008

Ms. SNOWE (for herself, Mr. KERRY, Mr. SMITH, and Mr. BROWN) 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 expand the availability of industrial development bonds to facilities manufacturing intangible property.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXPANSION OF AVAILABILITY OF INDUSTRIAL DEVELOPMENT BONDS TO FACILITIES MANUFACTURING INTANGIBLE PROPERTY.

- (a) Expansion to Intangible Property-
- (1) IN GENERAL- The first sentence of section 144(a)(12)(C) of the Internal Revenue Code of 1986 (defining manufacturing facility) is amended--
 - (A) by inserting ` , creation,' after ` used in the manufacturing', and
 - (B) by inserting ` or intangible property which is described in section 197(d)(1)(C)(iii)' before the period at the end.
 - (2) CLARIFICATION- The last sentence of section 144(a)(12)(C) of such Code is amended to read as follows:

` For purposes of the first sentence of this subparagraph, the term ` manufacturing facility' includes--

- ` (i) facilities which are functionally related and subordinate to a manufacturing facility (determined without regard to this clause), and
- ` (ii) facilities which are directly related and ancillary to a manufacturing facility (determined without regard to this clause) if--
 - ` (I) such facilities are located on the same site as the manufacturing facility, and
 - ` (II) not more than 25 percent of the net proceeds of the issue are used to provide such facilities.'

(b) Effective Date- The amendments made by this section shall apply to bonds issued after the date of the enactment of this Act.