

107TH CONGRESS  
1ST SESSION

# H. R. 3159

To amend the Internal Revenue Code of 1986 and the Office of Federal Procurement Policy Act to provide economic benefits to small businesses.

---

## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 17, 2001

Mr. WYNN introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Government Reform, and Small Business, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

---

## A BILL

To amend the Internal Revenue Code of 1986 and the Office of Federal Procurement Policy Act to provide economic benefits to small businesses.

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. INCREASED DEDUCTION FOR MEALS AND EN-  
4       TERTAINMENT EXPENSES.**

5       (a) IN GENERAL.—Paragraph (1) of section 274(n)  
6       of the Internal Revenue Code of 1986 (relating to only  
7       50 percent of meal and entertainment expenses allowed

1 as deduction) is amended by striking “50 percent” and  
2 inserting “80 percent”.

3 (b) CONFORMING AMENDMENTS.—

4 (1) Paragraph (3) of section 274(n) of such  
5 Code is hereby repealed.

6 (2) The heading for subsection (n) of section  
7 274 of such Code is amended by striking “50 PER-  
8 CENT” and inserting “80 PERCENT”.

9 (c) EFFECTIVE DATE.—The amendments made by  
10 this section shall apply to taxable years beginning after  
11 December 31, 2001.

12 **SEC. 2. INCREASE IN EXPENSING UNDER SECTION 179.**

13 (a) IN GENERAL.—Paragraph (1) of section 179(b)  
14 of the Internal Revenue Code of 1986 (relating to dollar  
15 limitation) is amended by striking “shall not exceed” and  
16 all that follows and inserting “shall not exceed \$50,000.”.

17 (b) INCREASE IN AMOUNT OF PROPERTY TRIG-  
18 GERING PHASEOUT OF MAXIMUM BENEFIT.—Paragraph  
19 (2) of section 179(b) of such Code is amended by striking  
20 “\$200,000” and inserting “\$500,000”.

21 (c) EFFECTIVE DATE.—The amendments made by  
22 this section shall apply to taxable years beginning after  
23 December 31, 2001.

**1 SEC. 3. DEPRECIATION RECOVERY PERIOD FOR QUALIFIED**  
**2 TECHNOLOGICAL EQUIPMENT REDUCED TO 2**  
**3 YEARS.**

4 (a) IN GENERAL.—Paragraph (3) of section 168(e)  
5 of the Internal Revenue Code of 1986 (relating to classi-  
6 fication of property) is amended by redesignating subpara-  
7 graphs (A) through (E) as subparagraphs (B) through  
8 (F), respectively, and by inserting before subparagraph  
9 (B) (as so redesignated) the following new subparagraph:

10                             “(A) 2-YEAR PROPERTY.—The term ‘2-  
11                             year property’ means qualified technological  
12                             equipment.”

13 (b) 2-YEAR RECOVERY PERIOD UNDER ALTER-  
14 NATIVE DEPRECIATION SYSTEM.—Subparagraph (C) of  
15 section 168(g)(3) of such Code (relating to alternative de-  
16 preciation system for certain property) is amended by  
17 striking “5 years” and inserting “2 years”.

18 (c) CONFORMING AMENDMENTS.—

“2-year property ..... 2 years”.

22 (2) Clause (iv) of section 168(e)(3)(B) of such  
23 Code is amended by striking clause (iv) and by re-  
24 designating clauses (v) and (vi) as clauses (iv) and  
25 (v), respectively.

1       (d) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to property placed in service after  
3 December 31, 2001.

4       **SEC. 4. INCREASE IN MICRO-PURCHASE THRESHOLD FOR**  
5                   **PURCHASES FROM SMALL BUSINESSES.**

6       (a) IN GENERAL.—Section 32(f) of the Office of Fed-  
7 eral Procurement Policy Act (41 U.S.C. 428(f)) is amend-  
8 ed by inserting before the period at the end the following:  
9       “, except that with respect to any purchase from a small  
10 business concern (as defined in section 3(a) of the Small  
11 Business Act (15 U.S.C. 632(a)) the micro-purchase  
12 threshold is the amount of \$100,000”.

13       (b) CONFORMING AMENDMENTS.—Subsections (c)  
14 and (d) of section 32 of the Office of Federal Procurement  
15 Policy Act (41 U.S.C. 428) are amended by striking  
16 “\$2,500” and inserting “the micro-purchase threshold”.

17       **SEC. 5. SOLE SOURCE PROCUREMENTS PURSUANT TO THE**  
18                   **2001 EMERGENCY SUPPLEMENTAL APPRO-**  
19                   **PRIATIONS ACT FOR RECOVERY FROM AND**  
20                   **RESPONSE TO TERRORIST ATTACKS ON THE**  
21                   **UNITED STATES.**

22       Sections 8(a)(1)(D)(i)(II) and 31(b)(2)(A)(ii) of the  
23 Small Business Act (15 U.S.C. 631 et seq.) shall not apply  
24 with respect to any contract funded by amounts appro-  
25 priated under the 2001 Emergency Supplemental Appro-

- 1 priations Act for Recovery from and Response to Terrorist
- 2 Attacks on the United States (Public Law 107–38).

○