


Internal Revenue Code Section 168(l)

Accelerated cost recovery system

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(l) Special allowance for second generation biofuel plant property.

(1) Additional allowance.

In the case of any qualified second generation biofuel plant property-

(A) the depreciation deduction provided by section 167(a) for the taxable year in which such property is placed in service shall include an allowance equal to 50 percent of the adjusted basis of such property, and

(B) the adjusted basis of such property shall be reduced by the amount of such deduction before computing the amount otherwise allowable as a depreciation deduction under this chapter for such taxable year and any subsequent taxable year.

(2) Qualified second generation biofuel plant property.

The term "qualified second generation biofuel plant property" means property of a character subject to the allowance for depreciation-

(A) which is used in the United States solely to produce second generation biofuel (as defined in section 40(b)(6)(E)),

(B) the original use of which commences with the taxpayer after the date of the enactment of this subsection,

(C) which is acquired by the taxpayer by purchase (as defined in section 179(d)) after the date of the enactment of this subsection, but only if no written binding contract for the acquisition was in effect on or before the date of the enactment of this subsection, and

(D) which is placed in service by the taxpayer before January 1, 2021.

(3) Exceptions.

(A) Bonus depreciation property under subsection (k) . Such term shall not include any property to which subsection (k) applies.

(B) Alternative depreciation property. Such term shall not include any property described in subsection (k)(2)(D) .

(C) Tax-exempt bond-financed property. Such term shall not include any property any portion of which is financed with the proceeds of any obligation the interest on which is exempt from tax under section 103 .

(D) Election out. If a taxpayer makes an election under this subparagraph with respect to any class of property for any taxable year, this subsection shall not apply to all property in such class placed in service during such taxable year.

(4) Special rules.

For purposes of this subsection , rules similar to the rules of subsection (k)(2)(E) shall apply.

(5) Allowance against alternative minimum tax.

For purposes of this subsection , rules similar to the rules of subsection (k)(2)(G) shall apply.

(6) Recapture.

For purposes of this subsection , rules similar to the rules under section 179(d)(10) shall apply with respect to any qualified second generation biofuel plant property which ceases to be qualified second generation biofuel plant property.

(7) Denial of double benefit.

Paragraph (1) shall not apply to any qualified second generation biofuel plant property with respect to which an election has been made under section 179C (relating to election to expense certain refineries).

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