H. R. 4824

"(1) the adjusted basis provided in section 113

"(2) the amount by which (A) the cost of re-

(b) for the purposes of determining the gain upon the

placing such property at the close of the taxable year

the amount of the adjustments proper under section

IN THE HOUSE OF REPRESENTATIVES

APRIL 23, 1953

property during

OI

Mr. Fogarry introduced the following bill; which was referred to the Committee on Ways and Means

SEO. 2. The amend Badaby this Act shall apply

To amend the Internal Revenue Code to provide that, in the case of machine tools, textile machinery, and other industrial production machinery, the deduction for depreciation shall be based on replacement cost or original cost, whichever is higher.

- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,
- 3 That section 114 (a) of the Internal Revenue Code (relat-
- 4 ing to the basis for depreciation) is hereby amended by add-
- 5 ing at the end thereof the following new sentence: "In re-
- 6 spect of machine tools, textile machinery, and other indus-
- 7 trial production machinery, the basis upon which exhaustion,
- 8 wear and tear, and obsolescence are to be allowed shall be
- 9 whichever of the following is the higher:

1	"(1) the adjusted basis provided in section 113
2	(b) for the purposes of determining the gain upon the
3	sale or other disposition of such property; or
4	"(2) the amount by which (A) the cost of re-
5	placing such property at the close of the taxable year
6	of the taxpayer or (if the taxpayer disposed of such
7	property during his taxable year) at the time of the
8	sale or other disposition of such property, exceeds (B)
9	the amount of the adjustments proper under section
0	113 (b) (1) (B)."
1	SEC. 2. The amendment made by this Act shall apply
2	only with respect to taxable years ending after the day on
3	which this Act is enacted.

The transfer of the first term of the second of the second

the case of the first of the fi

endone phala some sin horsent out to the ent of the state of the

- his is the historial moved of the translation of the light secretion pair at the

A constitution of the second o

and the same of th

Light terrollier division in expressed by its remaining a problem to the light in

of that there is the fall of the state of the state of the state for the state of t

the control of the co

Maria Maria

BILL

amend the Internal Revenue Code to provide that, in the case of machine tools, textile machinery, and other industrial production machinery, the deduction for depreciation shall be based on replacement cost or original cost, whichever is higher.

By Mr. FOGARTY

"(1) the adjusted basis provided in section 113

(b) for the purposes of determining the gain upon the

property during his taxable year) at the time of the

teste or effect disposition of such property; exceeds

sale or other disposition of such property; or

APRIL 23, 1953

Referred to the Committee on Ways and Means