

SENATE CONCURRENT RESOLUTION No. 110

STATE OF NEW JERSEY

INTRODUCED JANUARY 27, 1997

By Senator SINAGRA

1 A CONCURRENT RESOLUTION memorializing the Congress of the United
2 States to allow for the more rapid depreciation of computers and other
3 information processing equipment.

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5 WHEREAS, The federal Internal Revenue Code currently requires that
6 business purchasers of computer equipment to deduct the purchase cost
7 of the equipment from taxable income over period of five years; and

8 WHEREAS, The federal Internal Revenue Code already recognizes that non-
9 amortizable computer software should, because of its rapid obsolescence,
10 be depreciated in three years; and

11 WHEREAS, Cutting edge hardware suffers the same short life span, and should
12 be accorded the same status as three-year property for depreciation
13 purposes; and

14 WHEREAS, Faster depreciation acts as an incentive for corporations to
15 maintain state-of-the-art hardware; now, therefore,

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17 BE IT RESOLVED by the Senate of the State of New Jersey (the General
18 Assembly concurring):

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20 1. The Congress of the United States is respectfully memorialized to
21 amend the federal Internal Revenue Code to allow for the more rapid
22 depreciation of computers and other information processing equipment as
23 three-year property pursuant to section 168 of the federal Internal Revenue
24 Code, 26 U.S.C. §168.

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26 2. Duly authenticated copies of this resolution signed by the President of
27 the Senate and the Speaker of the General Assembly and attested by the
28 Secretary of the Senate and the Clerk of the General Assembly, shall be
29 transmitted to the President of the Senate, the Speaker of the House of
30 Representatives, and each of the members of Congress elected from this
31 State.

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STATEMENT

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1 This concurrent resolution memorializes Congress to to allow for the more
2 rapid depreciation of computers and other information processing equipment
3 as three-year property pursuant to section 168 of the federal Internal Revenue
4 Code, 26 U.S.C. §168, instead of as five-year property. More rapid
5 depreciation would recognize the short life span of computer hardware and act
6 as an incentive for corporations to maintain state-of-the-art hardware.

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11 Memorializes the U.S. Congress to provide for faster depreciation of
12 computer equipment.