

(1) **IN GENERAL.**—Except as provided in paragraph (2), the amendments made by this section shall apply to property placed in service after December 31, 2008, in taxable years ending after such date.

(2) **TECHNICAL AMENDMENTS.**—The amendments made by subsections (a)(3) and (b)(2) shall apply to taxable years ending after March 31, 2008.

**SEC. 1202. TEMPORARY INCREASE IN LIMITATIONS ON EXPENSING OF CERTAIN DEPRECIABLE BUSINESS ASSETS.**

(a) **IN GENERAL.**—Paragraph (7) of section 179(b) is amended— 26 USC 179.

(1) by striking “2008” and inserting “2008, or 2009”, and

(2) by striking “2008” in the heading thereof and inserting “2008, AND 2009”.

(b) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 2008. 26 USC 179 note.

**PART II—SMALL BUSINESS PROVISIONS**

**SEC. 1211. 5-YEAR CARRYBACK OF OPERATING LOSSES OF SMALL BUSINESSES.**

(a) **IN GENERAL.**—Subparagraph (H) of section 172(b)(1) is amended to read as follows:

“(H) **CARRYBACK FOR 2008 NET OPERATING LOSSES OF SMALL BUSINESSES.**—

“(i) **IN GENERAL.**—If an eligible small business elects the application of this subparagraph with respect to an applicable 2008 net operating loss—

Applicability.

“(I) subparagraph (A)(i) shall be applied by substituting any whole number elected by the taxpayer which is more than 2 and less than 6 for ‘2’,

“(II) subparagraph (E)(ii) shall be applied by substituting the whole number which is one less than the whole number substituted under subclause (I) for ‘2’, and

“(III) subparagraph (F) shall not apply.

“(ii) **APPLICABLE 2008 NET OPERATING LOSS.**—For purposes of this subparagraph, the term ‘applicable 2008 net operating loss’ means—

“(I) the taxpayer’s net operating loss for any taxable year ending in 2008, or

“(II) if the taxpayer elects to have this subclause apply in lieu of subclause (I), the taxpayer’s net operating loss for any taxable year beginning in 2008.

“(iii) **ELECTION.**—Any election under this subparagraph shall be made in such manner as may be prescribed by the Secretary, and shall be made by the due date (including extension of time) for filing the taxpayer’s return for the taxable year of the net operating loss. Any such election, once made, shall be irrevocable. Any election under this subparagraph may be made only with respect to 1 taxable year.

“(iv) **ELIGIBLE SMALL BUSINESS.**—For purposes of this subparagraph, the term ‘eligible small business’ has the meaning given such term by subparagraph

Applicability.

- (F)(iii), except that in applying such subparagraph, section 448(c) shall be applied by substituting ‘\$15,000,000’ for ‘\$5,000,000’ each place it appears.”.
- 26 USC 172. (b) CONFORMING AMENDMENT.—Section 172 is amended by striking subsection (k) and by redesignating subsection (l) as subsection (k).
- 26 USC 172 note. (c) ANTI-ABUSE RULES.—The Secretary of Treasury or the Secretary’s designee shall prescribe such rules as are necessary to prevent the abuse of the purposes of the amendments made by this section, including anti-stuffing rules, anti-churning rules (including rules relating to sale-leasebacks), and rules similar to the rules under section 1091 of the Internal Revenue Code of 1986 relating to losses from wash sales.
- 26 USC 172 note. (d) EFFECTIVE DATE.—  
Applicability. (1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to net operating losses arising in taxable years ending after December 31, 2007.
- (2) TRANSITIONAL RULE.—In the case of a net operating loss for a taxable year ending before the date of the enactment of this Act—
- (A) any election made under section 172(b)(3) of the Internal Revenue Code of 1986 with respect to such loss may (notwithstanding such section) be revoked before the applicable date,
- (B) any election made under section 172(b)(1)(H) of such Code with respect to such loss shall (notwithstanding such section) be treated as timely made if made before the applicable date, and
- (C) any application under section 6411(a) of such Code with respect to such loss shall be treated as timely filed if filed before the applicable date.
- Definition. For purposes of this paragraph, the term “applicable date” means the date which is 60 days after the date of the enactment of this Act.
- SEC. 1212. DECREASED REQUIRED ESTIMATED TAX PAYMENTS IN 2009 FOR CERTAIN SMALL BUSINESSES.**
- Paragraph (1) of section 6654(d) is amended by adding at the end the following new subparagraph:
- Applicability. “(D) SPECIAL RULE FOR 2009.—
- “(i) IN GENERAL.—Notwithstanding subparagraph (C), in the case of any taxable year beginning in 2009, clause (ii) of subparagraph (B) shall be applied to any qualified individual by substituting ‘90 percent’ for ‘100 percent’.
- “(ii) QUALIFIED INDIVIDUAL.—For purposes of this subparagraph, the term ‘qualified individual’ means any individual if—
- “(I) the adjusted gross income shown on the return of such individual for the preceding taxable year is less than \$500,000, and
- “(II) such individual certifies that more than 50 percent of the gross income shown on the return of such individual for the preceding taxable year was income from a small business.
- Certification.