Sixty-fourth Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 6, 2015

HOUSE CONCURRENT RESOLUTION NO. 3032
(Representatives Headland, Belter, Brandenburg, Haak, Thoreson)
(Senators Armstrong, Klein, Wanzek)

A concurrent resolution urging Congress and the Internal Revenue Service to end the requirement of capitalization of business and farm machinery repair costs and allow business owners to deduct those costs as a business expense.

WHEREAS, businesses have been subjected to extremely complex treatment under the Internal Revenue Code, most of which adds greatly to the cost of recordkeeping and the cost of doing business; and

WHEREAS, the decision of the Internal Revenue Service through rules in 26 CFR 1.162-3, 1.162-4, and 1.263(a)-3 to require businesses to capitalize business and farm machinery repairs shows little regard for imposing additional cost and regulatory burdens on the business owners forced to comply; and

WHEREAS, business and farm machinery and equipment is put to rigorous use to produce a vital United States economy and that machinery and equipment is subject to frequent and costly repairs, which is a business reality but is largely an unplanned business expense; and

WHEREAS, requiring businesses to capitalize repair expenses and deduct them over a period of years, when businesses must repair equipment and pay for those repairs immediately when the necessity arises, unfairly and pointlessly increases the cost of doing business while an ordinary business expense deduction would recognize the expenditure in the year the expenses are incurred;

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF NORTH DAKOTA, THE SENATE CONCURRING THEREIN:

That the Sixty-fourth Legislative Assembly urges Congress and the Internal Revenue Service to end the requirement of capitalization of business and farm machinery repair costs and allow business owners to deduct those costs as a business expense; and

BE IT FURTHER RESOLVED, that the Secretary of State forward copies of this resolution to each member of the North Dakota Congressional Delegation, the majority and minority leaders of the United States Senate and House of Representatives, the Secretary of the Treasury, and the Director of the Internal Revenue Service.

Speaker of the House

President of the Senate

Chief Clerk of the House

Secretary of the Senate

Filed in this office this 31st day of March, 2015,

at 9:26 o'clock A M.

Secretary of State