1 # TITLE __—BUSINESS
2 # PROVISIONS

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in a trade or business under paragraph (1) over a period of 2 or more taxable years.''.

(b) CONFORMING AMENDMENTS RELATED TO CHANGES IN LISTED PROPERTY RULES.—

(1) Section 179(b), as amended by section __01(a)(3), is amended by striking paragraph (5) and redesignating paragraph (6) as paragraph (5).

(2) Section 274(d)(4) is amended by striking ''280F(d)(4)'' and inserting ''167(i)(3)(C)''.

(3) The table of sections for part IX of subchapter B of chapter 1 is amended by striking the item relating to section 280F and inserting the following:

''Sec. 280F. Limitation on depreciation for personal use passenger automobiles.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2014.

SEC. __15. REPEAL OF LIKE-KIND EXCHANGES.

(a) IN GENERAL.—Part III of subchapter O of chapter 1 is amended by striking section 1031.

(b) CONFORMING AMENDMENTS.—

(1) Section 83(g) is amended by striking ''(or so much of section 1031 that relates to section 1036)''.

(2) Section 121(d) is amended by striking paragraph (10).

(3) Subsections (b) and (c)(1)(B) of section 424 are each amended by striking "(or so much of section 1031 that relates to section 1036)".

(4) Section 453(f)(6) is amended—

(A) by striking "section 1031(b)" in the matter before subparagraph (A) and inserting "section 356(a) and which is not treated as a dividend",

(B) by striking "section 1031(b)" in subparagraph (B) and inserting "section 356(a)",

(C) by striking the last sentence, and

(D) by striking "LIKE-KIND EXCHANGES" in the heading and inserting "CERTAIN NON-RECOGNITION TRANSACTIONS".

(5) Section 454(c)(2) is amended by striking "(or so much of section 1031 that relates to section 1037)".

(6) Section 470(e)(4) is amended—

(A) by striking "Sections 1031(a) and 1033(a)" in subparagraph (A) and inserting "Section 1033(a)",

(B) by striking "exchanged or" in subparagraph (A)(i),

(C) by striking "section 1031 or 1033" in subparagraph (B) and inserting "section 1033", and

(D) by striking "SECTIONS 1031 AND 1033" in the heading and inserting "SECTION 1033".

(7) Section 501(c)(12)(G) is amended by striking "section 1031 or 1033" and inserting "section 1033".

(8) Section 704(c) is amended—

(A) by striking paragraph (2) and redesignating paragraph (3) as paragraph (2), and

(B) by striking "or (2)" in paragraph (2), as redesignated by subparagraph (A).

(9) Section 857(e)(2) is amended by striking subparagraph (B) and by redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively.

(10) Section 1035(d) is amended to read as follows:

"(d) OTHER RULES.—

"(1) GAIN FROM EXCHANGES NOT SOLELY IN KIND.—If an exchange would be within the provisions of subsection (a), of section 1036(a), or of section 1037(a), if it were not for the fact that the

1 property received in exchange consists not only of
2 property permitted by such provisions to be received
3 without the recognition of gain, but also of other
4 property or money, then the gain, if any, to the re-
5 cipient shall be recognized, but in an amount not in
6 excess of the sum of such money and the fair market
7 value of such other property.

8 "(2) LOSS FROM EXCHANGES NOT SOLELY IN
9 KIND.—If an exchange would be within the provi-
10 sions of subsection (a), of section 1036(a), or of sec-
11 tion 1037(a), if it were not for the fact that the
12 property received in exchange consists not only of
13 property permitted by such provisions to be received
14 without the recognition of gain or loss, but also of
15 other property or money, then no loss from the ex-
16 change shall be recognized.

17 "(3) BASIS.—If property was acquired in an ex-
18 change described in this section, section 1036(a), or
19 section 1037(a), then the basis shall be the same as
20 that of the property exchanged, decreased in the
21 amount of any money received by the taxpayer and
22 increased in the amount of gain or decreased in the
23 amount of loss to the taxpayer that was recognized
24 on such exchange. If the property so acquired con-
25 sisted in part of the type of property permitted by

this section, section 1036(a), or section 1037(a), to be received without the recognition of gain or loss, and in part of other property, the basis provided in this subsection shall be allocated between the properties (other than money) received, and for the purpose of the allocation there shall be assigned to such other property an amount equivalent to its fair market value at the date of the exchange. For purposes of this section and section 1036(a), where as part of the consideration to the taxpayer another party to the exchange assumed (as determined under section 357(d)) a liability of the taxpayer, such assumption shall be considered as money received by the taxpayer on the exchange.''.

(11) Section 1036(c) is amended—

(A) by striking ''subsections (b) and (c) of section 1031'' in paragraph (1) and inserting ''paragraphs (1) and (2) of section 1035(d)'', and

(B) by striking ''subsection (d) of section 1031'' in paragraph (2) and inserting ''paragraph (3) of section 1035''.

(12) Section 1037 is amended—

(A) by striking ''1031(b)'' in subsection (b)(1) and inserting ''1035(d)(1)'',

(B) by striking "section 1031(b) or (c)" in subsection (b)(2) and inserting "1035(d)(1) or (2)",

(C) by striking "subsections (b) and (c) of section 1031" in subsection (c)(1) and inserting "paragraphs (1) and (2) of section 1035(d)", and

(D) by striking "subsection (d) of section 1031" in subsection (c)(2) and inserting "paragraph (3) of section 1035".

(13) Section 1060(c) is amended by striking the last sentence thereof.

(14) Section 1245(b)(4) is amended—

(A) by striking "1031 or", and

(B) by striking "LIKE KIND EXCHANGES; INVOLUNTARY" in the heading and inserting "INVOLUNTARY".

(15) Section 1250(d)(4) is amended—

(A) by striking "1031 or" each place it appears in subparagraphs (A) and (E), and

(B) by striking "LIKE KIND EXCHANGES; INVOLUNTARY" in the heading and inserting "INVOLUNTARY".

(16) Section 2032A(e)(14) is amended—

(A) by inserting "as in effect on the day before the enactment of the ____ Act" after "1031" each place it appears in subparagraph (C)(i) and (C)(ii), and

(B) by striking "SECTION 1031 OR 1033" in the heading and inserting "CERTAIN NON-RECOGNITION TRANSACTIONS".

(17) Section 2032A(i) is amended by striking subsection (i).

(18) Section 4940(c)(4) is amended by striking subparagraph (D).

(19) The table of sections for part III of subchapter O of chapter 1 is amended by striking the item relating to section 1031.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to exchanges made in taxable years beginning after December 31, 2014.

SEC. __16. ELECTION TO USE FINANCIAL STATEMENT PLACED IN SERVICE DATE.

(a) IN GENERAL.—Section 7701 is amended by redesignating subsection (p) as subsection (q) and by inserting after subsection (o) the following new subsection:

"(p) PLACED IN SERVICE DATE.—

"(1) IN GENERAL.—At the election of the taxpayer, property shall be treated as placed in service