

PLANNING ALERT

BUSINESS, TAX, AND ESTATE PLANNING CURRENT DEVELOPMENTS

2008 No. 2 (March 14, 2008)

**Copeland,
Cook, Taylor
& Bush, P.A.** ATTORNEYS
AT LAW

P.O. Box 6020
Ridgeland, Mississippi 39158

600 Concourse
1076 Highland Colony Parkway
Ridgeland, Mississippi 39157

(601) 856-7200

www.cctb.com

Business and Tax Groups

C. Ted Sanderson, Jr.
E-mail: tsanderson@cctb.com

William O. Brown, Jr.
E-mail: bbrown@cctb.com

B. Wade Smith, IV
E-mail: wsmith@cctb.com

James A. Norris, III
E-mail: jnorris@cctb.com

Leslie Bounds
E-mail: lbounds@cctb.com

GO ZONE UPDATE

SELF-CONSTRUCTED PROPERTY

By [William O. Brown, Jr.](#)
J.D., LL.M. (Taxation), CPA
(601) 427-1222 - bbrown@cctb.com

The following is an update to the [Planning Alert No. 1](#), dated March 11, 2008 regarding the adverse impact of language in the original GO Zone legislation concerning "self-constructed property." A bill, H.R. 5612, has been introduced in the House of Representatives by Reps. Gene Taylor (D-Miss.), Bennie Thompson (D-Miss.), Chip Pickering (R-Miss.), Charlie Melancon (D-La.) and William Jefferson (D-La.) which would eliminate the deadline to begin construction of "self-constructed property." A copy of a press release from the Office of Congressman Gene Taylor appears below. Please express your support for this legislation. If you want to provide examples of how the current law may affect pending projects you may forward that information to Bill Brown at bbrown@cctb.com. The information you provide concerning those projects may be forwarded to the sponsors of H.R. 5612.

Congressman Gene Taylor
U.S. HOUSE OF REPRESENTATIVES
FOURTH DISTRICT OF MISSISSIPPI

2269 Rayburn HOB
Washington, DC 20515
(202) 225-5772
Fax (202) 225-7074

FOR IMMEDIATE RELEASE
March 13, 2008

CONTACT: NATALIE NAQUIN
(202) 225-5772

REP. TAYLOR INTRODUCES BILL TO ELIMINATE STARTING DEADLINE FOR GO ZONE TAX DEDUCTION

Legislation would allow construction that has not yet begun to receive tax deduction

WASHINGTON, D.C. – Rep. Gene Taylor today introduced legislation to eliminate a legal technicality that threatens the recovery in Mississippi and Louisiana from Hurricanes Katrina and Rita.

The Gulf Opportunity (GO) Zone Act of 2005 allows a bonus depreciation tax deduction for property placed in service before Dec. 31, 2010 in the five Mississippi counties and seven Louisiana parishes that

suffered the most damage from the hurricanes. However, in 2006 when Congress extended the deadline for finishing construction projects, it did not extend the Dec. 31, 2007 deadline to begin construction. Because of this, only projects that broke ground by the end of 2007 are eligible for the bonus tax deduction.

The Taylor bill, co-sponsored by Reps. Bennie Thompson (D-Miss.), Chip Pickering (R-Miss.), Charlie Melancon (D-La.) and William Jefferson (D-La.), would eliminate the deadline to begin construction to qualify for the Bonus Depreciation deduction of the GO Zone Act. This would apply the same language to the GO Zone Act as the language in the New York Liberty Zone Act, which allowed businesses and employees in the area damaged by the 9/11 terrorist attacks to be eligible for a tax deduction. The Liberty Zone had no deadline to begin construction, only a deadline to place property in service.

“It makes no sense to extend the deadline for finishing projects while leaving an impossible deadline for beginning them,” Taylor said. “Finishing was not the problem. Starting was the problem. Projects have been delayed while businesses waited for water, sewer, streets, seawalls and other public infrastructure to be restored.”

“I have been assured that the House Ways and Means Committee will take action on this bill. I hope that the Bush Administration will not try to block this common sense measure that is needed to stimulate the recovery of the Gulf Coast.”

* * *

Circular 230 Disclosure

Unless explicitly stated to the contrary, this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing, or recommending to another party any transaction or matter addressed herein.

About the Author



William O. Brown, Jr.

Mr. Brown joined Copeland, Cook, Taylor & Bush in 2003. His practice areas are federal and state taxation, estate planning, business succession, corporate law, finance and general business. Throughout his career as an attorney and certified public accountant (CPA), Mr. Brown has advised closely-held businesses and their owners in wealth creation and wealth preservation strategies, including business acquisitions and divestitures, executive compensation programs, business succession plans and estate plans. Mr. Brown has also taught tax and accounting courses at Mississippi State University and has been a seminar speaker on various income tax and estate planning subjects. Bill can be reached at (601) 427-1222 or by email at: bbrown@cctb.com.

©2008 PLANNING ALERT and its companion newsletter PLANNING COMMENTS, on business, tax, and estate planning ideas and analysis, are publications of the Business and Tax Groups of the law firm of Copeland, Cook, Taylor & Bush, P.A., located in Ridgeland, Mississippi. For the archived issues of PLANNING ALERT and PLANNING COMMENTS, go to [Business and Tax Newsletters](http://www.cctb.com) at www.cctb.com. Neither PLANNING ALERT nor PLANNING COMMENTS is designed or intended to provide legal or other professional advice, as any such advice requires the consideration of the facts of the specific situation.