

## ISRI Position on Accelerated or Bonus Depreciation Tax Allowances<sup>1</sup>

### Overview

The scrap recycling industry is a capital intensive industry. The scrap recycling industry invested nearly \$9 billion in recycling equipment in the US between 2006 and 2011 that included processing, sorting, and handling equipment. Accelerated or bonus depreciation enables recyclers to buy and deploy new equipment with improved technologies sooner and operate with greater efficiency. Tax allowances also help the development of new technologies that enables the processing of scrap materials that otherwise would be difficult to process into higher quality commodities.

### It is the position of the Institute of Scrap Recycling Industries, Inc. (ISRI) that:

- Accelerated depreciation has proven to be extremely effective and is, in effect, a change in timing, rather than an actual credit, or reduction in tax collected.
- Tax allowances such as accelerated depreciation should be pursued to encourage scrap processors to purchase new and/or innovative equipment to process scrap materials into higher quality commodity-grade feedstocks for manufacturing.
- Tax allowances should also be pursued to enable scrap processors to consume larger quantities of recyclables or for truly experimental or innovative processing equipment designed to collect and process materials which are currently not being recycled, or are technologically challenged in terms of recycling.
- ISRI should pursue opportunities to continue the permanent status of accelerated depreciation or bonus depreciation allowances that have been so effective in accordance with section 179 of the ISRI code.

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<sup>1</sup> As adopted by the ISRI Board of Directors on April 24, 2017.