

105TH CONGRESS  
1ST SESSION

# H. R. 1665

To amend the Internal Revenue Code of 1986 to increase the small issuer exemption from pro rata allocation of interest expense of financial institutions to tax-exempt interest.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 20, 1997

Mr. HAYWORTH (for himself and Mr. LEWIS of Georgia) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to increase the small issuer exemption from pro rata allocation of interest expense of financial institutions to tax-exempt interest.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. INCREASE IN SMALL ISSUER EXEMPTION FROM**  
4                       **PRO RATA ALLOCATION OF INTEREST EX-**  
5                       **PENSE OF FINANCIAL INSTITUTIONS TO TAX-**  
6                       **EXEMPT INTEREST.**

7       (a) IN GENERAL.—Subparagraphs (C) and (D) of  
8       section 265(b)(3) of the Internal Revenue Code of 1986

1 are each amended by striking “\$10,000,000” each place  
2 it appears and inserting “\$25,000,000”.

3 (b) EFFECTIVE DATE.—The amendment made by  
4 subsection (a) shall apply to bonds issued after the date  
5 of the enactment of this Act.

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