

105TH CONGRESS
1ST SESSION

H. R. 396

To amend the Internal Revenue Code of 1986 to provide that the alternative minimum tax shall not apply to installment sales of farm property.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 9, 1997

Mr. BARRETT of Nebraska introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to provide that the alternative minimum tax shall not apply to installment sales of farm property.

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. MINIMUM TAX NOT TO APPLY TO FARMERS'**
4 **INSTALLMENT SALES.**

5 (a) IN GENERAL.—The last sentence of paragraph
6 (6) of section 56(a) of the Internal Revenue Code of 1986
7 (relating to treatment of installment sales in computing
8 alternative minimum taxable income) is amended to read
9 as follows: “This paragraph shall not apply to any disposi-
10 tion—

1 “(A) in the case of a taxpayer using the
 2 cash receipts and disbursements method of ac-
 3 counting, described in section 453(l)(2)(A) (re-
 4 lating to farm property), or

5 “(B) with respect to which an election is in
 6 effect under section 453(l)(2)(B) (relating to
 7 timeshares and residential lots).”

8 (b) EFFECTIVE DATES.—

9 (1) IN GENERAL.—The amendment made by
 10 this section shall apply to taxable years beginning
 11 after December 31, 1987.

12 (2) SPECIAL RULE FOR 1987.—In the case of
 13 taxable years beginning in 1987, the last sentence of
 14 section 56(a)(6) of the Internal Revenue Code of
 15 1986 (as in effect for such taxable years) shall be
 16 applied by inserting “or in the case of a taxpayer
 17 using the cash receipts and disbursements method of
 18 accounting, any disposition described in section
 19 453(l)(2)(A)” after “section 453C(e)(4)”.

20 (3) WAIVER OF STATUTE OF LIMITATIONS.—If
 21 refund or credit of any overpayment of tax resulting
 22 from the amendment made by subsection (a) is pre-
 23 vented at any time before the close of the 1-year pe-
 24 riod beginning on the date of the enactment of this

1 Act by the operation of any law or rule of law (in-
2 cluding res judicata), refund or credit of such over-
3 payment (to the extent attributable to such amend-
4 ment) may, nevertheless, be made or allowed if claim
5 therefore is filed before the close of such 1-year pe-
6 riod.

○