

105TH CONGRESS
2D SESSION

H. R. 4132

To amend the Internal Revenue Code of 1986 to allow physicians and dentists to use the cash basis of accounting for income tax purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 24, 1998

Mr. MANZULLO (for himself, Mr. CRANE, Mr. WELLER, and Mr. MATSUI) 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 allow physicians and dentists to use the cash basis of accounting for income tax purposes.

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. SHORT TITLE.**

4 This Act may be cited as the “Accounting Fairness
5 for Physicians and Dentists Act of 1998”.

6 **SEC. 2. CASH BASIS OF ACCOUNTING FOR PHYSICIANS AND**
7 **DENTISTS.**

8 (a) IN GENERAL.—Subsection (b) of section 446 of
9 the Internal Revenue Code of 1986 (relating to exceptions

1 to the general rule for methods of accounting) is amended
2 to read as follows:

3 “(b) EXCEPTIONS.—

4 “(1) IN GENERAL.—If no method of accounting
5 has been regularly used by the taxpayer, or if the
6 method used does not clearly reflect income, the
7 computation of taxable income shall be made under
8 such method as, in the opinion of the Secretary,
9 does clearly reflect income.

10 “(2) CERTAIN PHYSICIANS AND DENTISTS.—A
11 person engaged in the trade or business of providing
12 a service as a physician or dentist (within the mean-
13 ing of paragraph (1) or (2) of section 1861(r) of the
14 Social Security Act) shall not be required to com-
15 pute income under an accrual method of account-
16 ing.”.

17 (b) EFFECTIVE DATE.—The amendment made by
18 subsection (a) shall apply to taxable years beginning after
19 December 31, 1997.

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