

105TH CONGRESS
1ST SESSION

H. R. 426

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. NETHERCUTT (for himself, Mr. SMITH of Oregon, Ms. DUNN, Mr. POMEROY, Mr. MATSUI, Mr. DOOLEY of California, Mr. McCRERY, Mr. HERGER, Mr. NUSSLE, Mr. STENHOLM, Mr. WELLER, Mr. HASTINGS of Washington, Mr. ENGLISH of Pennsylvania, Mr. COMBEST, Mr. BOEHNER, Mrs. EMERSON, Mr. LEWIS of Kentucky, Mr. RADANOVICH, Mr. CRAPO, Mr. LAHOOD, Mr. McHUGH, Mr. SMITH of Michigan, Mr. POMBO, Mrs. CHENOWETH, Mr. BALDACCI, Mr. MINGE, Mr. CHAMBLISS, Mr. HOLDEN, Mr. McINTOSH, Mr. WHITFIELD, Mr. WATTS of Oklahoma, Mr. EVANS, Mr. HASTERT, Mr. SOLOMON, Mr. GANSKE, Mr. EWING, Mr. FROST, Mr. BRYANT, Mr. LEACH, Mr. LATHAM, Mr. HALL of Texas, Mr. GUTKNECHT, Mr. BARRETT of Nebraska, Mr. FAZIO of California, Mr. PARKER, Mr. TANNER, Ms. DANNER, Mr. COSTELLO, Mr. TRAFICANT, Mr. NORWOOD, Mr. HOSTETTLER, Mr. COX of California, Mr. MORAN of Kansas, Mr. LUCAS of Oklahoma, Mr. HILL, Mrs. CLAYTON, Mr. COOKSEY, Mr. BEREUTER, Mr. METCALF, Mr. CRAMER, Mr. HOBSON, Mr. McINTYRE, Mr. THORNBERRY, Mr. DEAL of Georgia, Mr. DICKEY, Mr. POSHARD, Mr. BAKER, Mr. HULSHOF, Mr. BUYER, Mr. BONO, Mr. BERRY, Mr. GOODLATTE, Mr. KOLBE, Mr. OXLEY, Mr. CALLAHAN, Mr. SESSIONS, Mr. THUNE, Mrs. MINK of Hawaii, Mr. STUMP, Mr. ADERHOLT, Mr. GILLMOR, Mr. COOK, and Mr. HUTCHINSON) 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—

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

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

18 (b) EFFECTIVE DATES.—

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

22 (2) SPECIAL RULE FOR 1987.—In the case of
 23 taxable years beginning in 1987, the last sentence of
 24 section 56(a)(6) of the Internal Revenue Code of
 25 1986 (as in effect for such taxable years) shall be

1 applied by inserting “or in the case of a taxpayer
2 using the cash receipts and disbursements method of
3 accounting, any disposition described in section
4 453(l)(2)(A)” after “section 453C(e)(4)”.

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