

105TH CONGRESS  
2D SESSION

# H. R. 4644

To permit farmers the option of declaring the taxable year in which production flexibility contract payments and crop insurance payments are included in gross income.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 25, 1998

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

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## A BILL

To permit farmers the option of declaring the taxable year in which production flexibility contract payments and crop insurance payments are included in gross income.

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. PRODUCTION FLEXIBILITY CONTRACT PAY-**  
4 **MENTS.**

5 Notwithstanding the option under section 112(d)(3)  
6 of the Federal Agriculture Improvement and Reform Act  
7 of 1996, the payment for fiscal year 1999 under a produc-  
8 tion flexibility contract under subtitle B of title I of such  
9 Act shall be includible in gross income for purposes of the

1 Internal Revenue Code of 1986 for the taxpayer's taxable  
2 year ending during 1999 or, at the election of the tax-  
3 payer, for the taxpayer's taxable year ending during 1998.

4 **SEC. 2. EXPANSION OF CROP INSURANCE PAYMENTS ELIGI-**  
5 **BLE FOR DEFERRAL.**

6 (a) IN GENERAL.—The second sentence of subsection  
7 (d) of section 451 of the Internal Revenue Code of 1986  
8 is amended by striking “or title” and inserting “, title”  
9 and by inserting after “1988,” the following: “or the Fed-  
10 eral Crop Insurance Act,”.

11 (b) EFFECTIVE DATE.—The amendment made by  
12 subsection (a) shall apply to payments received on, before,  
13 or after the date of the enactment of this Act.

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