

105TH CONGRESS
1ST SESSION

H. R. 840

To amend the Internal Revenue Code of 1986 to disregard certain amounts of capital expenditures in applying \$10,000,000 limit on such issues, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 26, 1997

Mr. ENGLISH of Pennsylvania (for himself, Mr. CALVERT, Mr. FOX of Pennsylvania, Mr. HOLDEN, Mr. FROST, Mr. MASCARA, and Mr. FATTAH) 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 disregard certain amounts of capital expenditures in applying \$10,000,000 limit on such issues, and for other 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. \$10,000,000 OF CAPITAL EXPENDITURES DIS-**
4 **REGARDED IN APPLYING \$10,000,000 LIMITA-**
5 **TION ON FACE AMOUNT OF QUALIFIED**
6 **SMALL ISSUE BONDS.**

7 (a) IN GENERAL.—Subparagraph (A) of section
8 144(a)(4) of the Internal Revenue Code of 1986 (relating

1 to \$10,000,000 limit in certain cases) is amended by add-
 2 ing at the end the following new flush sentence:

3 “Capital expenditures which would (but for this
 4 sentence) be taken into account under clause
 5 (ii) shall be taken into account only to the ex-
 6 tent such expenditures exceed \$10,000,000.”

7 (b) EFFECTIVE DATE.—The amendment made by
 8 subsection (a) shall apply to—

9 (1) obligations issued after the date of the en-
 10 actment of this Act, and

11 (2) capital expenditures made after such date
 12 with respect to obligations issued on or before such
 13 date.

14 **SEC. 2. LIMITATION ON LAND ACQUISITION NOT TO APPLY**
 15 **TO QUALIFIED SMALL ISSUE BONDS.**

16 (a) IN GENERAL.—Subsection (c) of section 147 of
 17 the Internal Revenue Code of 1986 (relating to limitation
 18 on use for land acquisition) is amended by adding at the
 19 end the following new paragraph:

20 “(4) EXCEPTION FOR QUALIFIED SMALL ISSUE
 21 BONDS.—Paragraph (1)(A) shall not apply to any
 22 qualified small issue bond.”

23 (b) EFFECTIVE DATE.—The amendment made by
 24 subsection (a) shall apply to obligations issued after the
 25 date of the enactment of this Act.

1 **SEC. 3. REPEAL OF PERCENTAGE LIMITATION ON DI-**
 2 **RECTLY RELATED AND ANCILLARY FACILI-**
 3 **TIES WHICH MAY BE FINANCED BY QUALI-**
 4 **FIED SMALL ISSUE BONDS.**

5 (a) IN GENERAL.—The last sentence of section
 6 144(a)(12)(C) of the Internal Revenue Code of 1986 (de-
 7 fining manufacturing property) is amended by striking
 8 “if—” and all that follows and inserting “if such facilities
 9 are located on the same site as the manufacturing facil-
 10 ity.”

11 (b) EFFECTIVE DATE.—The amendment made by
 12 subsection (a) shall apply to obligations issued after the
 13 date of the enactment of this Act.

14 **SEC. 4. INCREASE IN VOLUME CAP ON PRIVATE ACTIVITY**
 15 **BONDS.**

16 (a) IN GENERAL.—Subsection (d) of section 146 of
 17 the Internal Revenue Code of 1986 (relating to State ceil-
 18 ing) is amended—

19 (1) by striking paragraph (2),

20 (2) by redesignating paragraphs (3) and (4) as
 21 paragraphs (2) and (3), respectively, and

22 (3) by striking “\$250,000,000” in para-
 23 graph(1)(B) and inserting “\$150,000,000”.

24 (b) EFFECTIVE DATE.—The amendments made by
 25 subsection (a) shall apply to calendars years after 1996.