

105TH CONGRESS
1ST SESSION

S. 792

To amend the Internal Revenue Code of 1986 to provide that certain cash rentals of farmland will not cause recapture of special estate tax valuation.

IN THE SENATE OF THE UNITED STATES

MAY 22, 1997

Mr. DASCHLE (for himself, Mr. DORGAN, Mr. CONRAD, and Mr. JOHNSON) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to provide that certain cash rentals of farmland will not cause recapture of special estate tax valuation.

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. CERTAIN CASH RENTALS OF FARMLAND NOT**
4 **TO CAUSE RECAPTURE OF SPECIAL ESTATE**
5 **TAX VALUATION.**

6 (a) IN GENERAL.—Subsection (c) of section 2032A
7 of the Internal Revenue Code of 1986 (relating to tax
8 treatment of dispositions and failures to use for qualified

1 use) is amended by adding at the end the following new
2 paragraph:

3 “(8) CERTAIN CASH RENTAL NOT TO CAUSE
4 RECAPTURE.—For purposes of this subsection, a
5 qualified heir shall not be treated as failing to use
6 property in a qualified use solely because such heir
7 rents such property on a net cash basis to a member
8 of the decedent’s family, but only if, during the pe-
9 riod of the lease, such member of the decedent’s
10 family uses such property in a qualified use.”

11 (b) CONFORMING AMENDMENT.—Section 2032A
12 (b)(5)(A) is amended by striking the last sentence.

13 (c) EFFECTIVE DATE.—The amendment made by
14 subsection (a) shall apply with respect to rentals occurring
15 after December 31, 1976.

○