

106TH CONGRESS  
1ST SESSION

# H. R. 1321

To amend the Internal Revenue Code of 1986 to reduce the holding period  
for long-term capital gain treatment to 6 months.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 25, 1999

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

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## A BILL

To amend the Internal Revenue Code of 1986 to reduce  
the holding period for long-term capital gain treatment  
to 6 months.

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 “Investment Assets Se-  
5       curity Act of 1999”.

6       **SEC. 2. DECREASE IN HOLDING PERIOD REQUIRED FOR**  
7       **LONG-TERM CAPITAL GAIN TREATMENT.**

8       (a) IN GENERAL.—

9               (1) CAPITAL GAIN.—Paragraphs (1) and (3) of  
10       section 1222 of the Internal Revenue Code of 1986

1 (relating to other terms relating to capital gains and  
 2 losses) are each amended by striking “1 year” and  
 3 inserting “6 months”.

4 (2) CAPITAL LOSSES.—Paragraphs (2) and (4)  
 5 of section 1222 of such Code are each amended by  
 6 striking “1 year” and inserting “6 months”.

7 (b) CONFORMING AMENDMENTS.—The following pro-  
 8 visions of such Code are each amended by striking “1  
 9 year” each place it appears and inserting “6 months”:

10 (1) Section 1(h)(6)(A)

11 (2) Section 166(d)(1)(B).

12 (3) Section 422(a)(1).

13 (4) Section 423(a)(1).

14 (5) Section 584(c).

15 (6) Subsections (a), (b), and (c) of section 631.

16 (7) Section 642(c)(3).

17 (8) Paragraphs (1) and (2) of section 702(a).

18 (9) Section 818(b)(1).

19 (10) Section 852(b)(3)(B).

20 (11) Section 857(b)(3)(B).

21 (12) Paragraphs (11) and (12) of section 1223.

22 (13) Section 1231.

23 (14) Subsections (b), (d), and subparagraph  
 24 (A) of subsection (e)(4) of section 1233.

25 (15) Section 1234(b)(1).

1           (16) Section 1235(a).

2           (17) Section 1246(a)(4).

3           (18) Section 1247(i).

4           (19) Subsections (b) and (g)(2)(C) of section  
5       1248.

6       (c)       TECHNICAL       AMENDMENT.—Section  
7       1231(b)(3)(B) of such Code is amended by striking “12  
8       months” and inserting “6 months”.

9       (d) EFFECTIVE DATE.—The amendments made by  
10      this section shall apply to dispositions after the date of  
11      the enactment of this Act.

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