

106TH CONGRESS  
1ST SESSION

# H. R. 2537

To amend the Internal Revenue Code of 1986 to exempt farm equipment and other property used in farming from the requirement that all gain on the sale of such property be recognized in the year of the sale.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 15, 1999

Mr. NETHERCUTT 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 exempt farm equipment and other property used in farming from the requirement that all gain on the sale of such property be recognized in the year of the sale.

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. EXEMPTION OF CERTAIN FARM PROPERTY**  
4                       **FROM REQUIREMENT TO RECOGNIZE RECAP-**  
5                       **TURE INCOME IN YEAR OF DISPOSITION.**

6       (a) IN GENERAL.—Subsection (i) of section 453 of  
7       the Internal Revenue Code of 1986 is amended by adding  
8       at the end the following new paragraph:

1           “(3) EXEMPTION FOR CERTAIN FARM PROP-  
2       ERTY.—

3           “(A) IN GENERAL.—Paragraph (1) shall  
4       not apply to the sale of farm property described  
5       in subparagraph (B).

6           “(B) FARM PROPERTY.—Subparagraph  
7       (A) applies to property of a character subject to  
8       the allowance for depreciation which is to be  
9       used in the farming business (as defined in sec-  
10      tion 263A(e)(4)).”.

11       (b) EFFECTIVE DATE.—The amendment made by  
12      this section shall apply to taxable years beginning after  
13      December 31, 1999.

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