

106TH CONGRESS
1ST SESSION

S. 1289

To amend the Internal Revenue Code of 1986 to provide that the capital gain treatment under section 631(b) of such Code shall apply to outright sales of timber held for more than 1 year.

IN THE SENATE OF THE UNITED STATES

JUNE 28, 1999

Mr. SESSIONS (for himself and Mr. COVERDELL) 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 the capital gain treatment under section 631(b) of such Code shall apply to outright sales of timber held for more than 1 year.

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 “Timber Tax Simplifica-
5 tion Act of 1999”.

1 **SEC. 2. CAPITAL GAIN TREATMENT UNDER SECTION 631(b)**
2 **TO APPLY WHETHER OR NOT OWNER RE-**
3 **TAINS ECONOMIC INTEREST.**

4 (a) **IN GENERAL.**—Subsection (b) of section 631 of
5 the Internal Revenue Code of 1986 (relating to disposal
6 of timber with a retained economic interest) is amended—

7 (1) by inserting “**AND OUTRIGHT SALES OF**
8 **TIMBER**” after “**ECONOMIC INTEREST**” in the sub-
9 section heading, and

10 (2) by striking “such owner retains an economic
11 interest in such timber” and inserting “such owner
12 either retains an economic interest in such timber or
13 makes an outright sale of such timber”.

14 (b) **EFFECTIVE DATE.**—The amendments made by
15 this section shall apply to sales after the date of the enact-
16 ment of this Act.

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