

106TH CONGRESS
2D SESSION

S. 2017

To amend the Internal Revenue Code of 1986 to exclude from gross income payments made to tobacco quota and allotment holders and tobacco growers pursuant to Phase I or II of the Master Settlement Agreement between a State and tobacco product manufacturers.

IN THE SENATE OF THE UNITED STATES

JANUARY 31, 2000

Mr. BUNNING 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 exclude from gross income payments made to tobacco quota and allotment holders and tobacco growers pursuant to Phase I or II of the Master Settlement Agreement between a State and tobacco product manufacturers.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. EXCLUSION FROM GROSS INCOME FOR PAY-**
 2 **MENTS MADE TO TOBACCO QUOTA AND AL-**
 3 **LOTMENT HOLDERS AND TOBACCO GROWERS**
 4 **PURSUANT TO PHASE I OR II OF THE MASTER**
 5 **SETTLEMENT AGREEMENT.**

6 (a) IN GENERAL.—Part III of subchapter B of chap-
 7 ter 1 of the Internal Revenue Code of 1986 (relating to
 8 items specifically excluded from gross income) is amended
 9 by redesignating section 139 as section 140 and by insert-
 10 ing after section 138 the following:

11 **“SEC. 139. CERTAIN PAYMENTS TO TOBACCO QUOTA AND**
 12 **ALLOTMENT HOLDERS AND TOBACCO GROW-**
 13 **ERS.**

14 “(a) IN GENERAL.—Gross income shall not include
 15 any tobacco settlement payment.

16 “(b) TOBACCO SETTLEMENT PAYMENT.—For pur-
 17 poses of subsection (a), the term ‘tobacco settlement pay-
 18 ment’ means any payment to any person if—

19 “(1) the payment is made to such person by
 20 reason of—

21 “(A) such person holding a tobacco mar-
 22 keting quota, or tobacco farm acreage allot-
 23 ment, under the Agricultural Adjustment Act of
 24 1938, or

9 (b) CLERICAL AMENDMENT.—The table of sections
10 for part III of subchapter B of chapter 1 of the Internal
11 Revenue Code of 1986 is amended by striking the last
12 item and inserting the following:

“Sec. 139. Certain payments to tobacco quota and allotment holders and tobacco growers.

“Sec. 140. Cross references to other Acts.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

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