

107TH CONGRESS  
1ST SESSION

# H. R. 1752

To amend the Internal Revenue Code of 1986 to modify the at-risk rules  
for publicly traded nonrecourse debt.

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IN THE HOUSE OF REPRESENTATIVES

MAY 8, 2001

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 modify  
the at-risk rules for publicly traded nonrecourse debt.

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. TREATMENT UNDER AT-RISK RULES OF PUB-**  
4       **LICLY TRADED NONRECOURSE DEBT.**

5       (a) IN GENERAL.—Subparagraph (A) of section  
6       465(b)(6) of the Internal Revenue Code of 1986 (relating  
7       to qualified nonrecourse financing treated as amount at  
8       risk) is amended by striking “share of” and all that fol-  
9       lows and inserting “share of—

1 “(i) any qualified nonrecourse financ-  
 2 ing which is secured by real property used  
 3 in such activity, and

4 “(ii) any other financing which—

5 “(I) would (but for subparagraph  
 6 (B)(ii)) be qualified nonrecourse fi-  
 7 nancing,

8 “(II) is qualified publicly traded  
 9 debt, and

10 “(III) is not borrowed by the tax-  
 11 payer from a person described in sub-  
 12 clause (I), (II), or (III) of section  
 13 49(a)(1)(D)(iv).”.

14 (b) QUALIFIED PUBLICLY TRADED DEBT.—Para-  
 15 graph (6) of section 465(b) of such Code is amended by  
 16 adding at the end the following new subparagraph:

17 “(F) QUALIFIED PUBLICLY TRADED  
 18 DEBT.—For purposes of subparagraph (A), the  
 19 term ‘qualified publicly traded debt’ means any  
 20 debt instrument which is readily tradable on an  
 21 established securities market. Such term shall  
 22 not include any debt instrument which has a  
 23 yield to maturity which equals or exceeds the  
 24 limitation in section 163(i)(1)(B).”.

1       (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to debt instruments issued after  
3 December 31, 2001.

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