

107TH CONGRESS
1ST SESSION

H. R. 2618

To clarify the accounting treatment for Federal income tax purposes of deposits and similar amounts received by a tour operator for a tour arranged by such operator.

IN THE HOUSE OF REPRESENTATIVES

JULY 24, 2001

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

A BILL

To clarify the accounting treatment for Federal income tax purposes of deposits and similar amounts received by a tour operator for a tour arranged by such operator.

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. METHOD OF ACCOUNTING FOR DEPOSITS RE-**
4 **CEIVED BY ACCRUAL BASIS TOUR OPERA-**
5 **TORS.**

6 In the case of a tour operator using an accrual meth-
7 od of accounting, amounts received from or on behalf of
8 passengers in advance of the departure of a tour arranged
9 by such operator—

1 (1) shall be treated as properly accounted for
2 under the Internal Revenue Code of 1986 if they are
3 accounted for under a method permitted by Section
4 3 of Revenue Procedure 71–21, and

5 (2) for purposes of Revenue Procedure 71–21,
6 shall be deemed earned as of the date the tour de-
7 parts.

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