

107TH CONGRESS
2D SESSION

H. R. 4121

To amend the Internal Revenue Code of 1986 to allow an additional advance refunding of tax-exempt bonds issued for the purchase or maintenance of electric generation, transmission, or distribution assets.

IN THE HOUSE OF REPRESENTATIVES

APRIL 9, 2002

Mr. SPRATT (for himself, Mr. CLYBURN, Mr. DEMINT, Mr. BROWN of South Carolina, Mr. GRAHAM, and Mr. WILSON of South Carolina) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to allow an additional advance refunding of tax-exempt bonds issued for the purchase or maintenance of electric generation, transmission, or distribution assets.

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. ADDITIONAL ADVANCE REFUNDING OF ELEC-**
4 **TRICITY BONDS.**

5 (a) IN GENERAL.—Subsection (d) of section 149 of
6 the Internal Revenue Code of 1986 (relating to advance
7 refunding) is amended by redesignating paragraph (7) as

1 paragraph (8) and by inserting after paragraph (7) the
2 following new paragraph:

3 “(7) SPECIAL RULE FOR CERTAIN ELECTRICITY
4 BONDS.—

5 “(A) GENERAL RULE.—In the case of a
6 bond described in subparagraph (B), one addi-
7 tional advance refunding after the date of the
8 enactment of this paragraph shall be allowed
9 under paragraph (3)(A)(i) if the requirements
10 of subparagraph (C) are met.

11 “(B) BOND DESCRIBED.—A bond is de-
12 scribed in this subparagraph if such bond is
13 issued as part of an issue the net proceeds of
14 which are used to finance the costs of electric
15 generation, transmission, or distribution assets
16 owned by the issuer or by a consortium of State
17 or local governments which includes the issuer
18 and which jointly own such assets.

19 “(C) REQUIREMENTS.—The requirements
20 of this subparagraph are met with respect to
21 any advance refunding of a bond described in
22 subparagraph (B) if—

23 “(i) no advance refundings of such
24 bond would be allowed under any provision

1 of law after the date of the enactment of
2 this paragraph,

3 “(ii) the advance refunding bond is
4 the only other outstanding bond with re-
5 spect to the refunded bond, and

6 “(iii) the requirements of section 148
7 are met with respect to all bonds issued
8 under this subsection.

9 “(D) INAPPLICABILITY TO CERTAIN
10 BONDS.—Subparagraph (A) shall not apply
11 with respect to a bond described in section
12 1400L(e).”.

13 (b) EFFECTIVE DATE.—The amendment made by
14 subsection (a) shall apply to advance refunding bonds
15 issued after the date of the enactment of this Act.

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