

107TH CONGRESS
2D SESSION

H. R. 4474

To amend the Internal Revenue Code of 1986 to exclude income derived from certain wagers on horse races from the gross income of a non-resident alien individual.

IN THE HOUSE OF REPRESENTATIVES

APRIL 17, 2002

Mr. McCRERY 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 exclude income derived from certain wagers on horse races from the gross income of a non-resident alien individual.

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. EXCLUSION OF INCOME DERIVED FROM CER-**
4 **TAIN WAGERS ON HORSE RACES FROM**
5 **GROSS INCOME OF NONRESIDENT ALIEN IN-**
6 **DIVIDUALS.**

7 (a) IN GENERAL.—Section 872(b) of the Internal
8 Revenue Code of 1986 is amended by redesignating para-
9 graphs (5), (6), and (7) as paragraphs (6), (7), and (8),

1 respectively, and inserting after paragraph (4) the fol-
2 lowing new paragraph:

3 “(5) INCOME DERIVED FROM WAGERING
4 TRANSACTIONS IN CERTAIN PARIMUTUEL POOLS.—
5 Gross income derived by a nonresident alien indi-
6 vidual from a legal wagering transaction initiated
7 outside the United States in a parimutuel pool with
8 respect to a live horse race in the United States.”.

9 (b) CONFORMING AMENDMENT.—Section 883(a)(4)
10 of such Code is amended by striking “(5), (6), and (7)”
11 and inserting “(6), (7), and (8)”.

12 (c) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to proceeds from wagering trans-
14 actions after September 30, 2002.

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