

107TH CONGRESS  
1ST SESSION

# H. R. 582

To amend the Internal Revenue Code of 1986 to clarify the definition of  
contribution in aid of construction.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 13, 2001

Mr. HERGER (for himself, Mr. MATSUI, Mrs. JOHNSON of Connecticut, Mr. FOLEY, Mr. MALONEY of Connecticut, Mr. ROYCE, and Mr. ANDREWS) 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 clarify  
the definition of contribution in aid of construction.

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. SHORT TITLE.**

4       This Act may be cited as the “Lower Regulatory Bur-  
5       den for Homeowners Act of 2001”.

1 **SEC. 2. CLARIFICATION OF CONTRIBUTION IN AID OF CON-**  
2 **STRUCTION.**

3 (a) IN GENERAL.—Subparagraph (A) of section  
4 118(c)(3) of the Internal Revenue Code of 1986 (relating  
5 to definitions) is amended to read as follows:

6 “(A) CONTRIBUTION IN AID OF CONSTRUC-  
7 TION.—The term ‘contribution in aid of con-  
8 struction’ shall be defined by regulations pre-  
9 scribed by the Secretary, except that such  
10 term—

11 “(i) shall include amounts paid as  
12 customer connection fees (including  
13 amounts paid to connect the customer’s  
14 line to or extend a main water or sewer  
15 line), and

16 “(ii) shall not include amounts paid as  
17 service charges for starting or stopping  
18 services.”.

19 (b) EFFECTIVE DATE.—The amendment made by  
20 subsection (a) shall take effect as if included in the  
21 amendments made by section 1613(a) of the Small Busi-  
22 ness Job Protection Act of 1996.

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