

107TH CONGRESS
1ST SESSION

S. 1823

To amend the Internal Revenue Code of 1986 to modify the exclusion relating to qualified small business stock.

IN THE SENATE OF THE UNITED STATES

DECEMBER 13, 2001

Ms. COLLINS (for herself and Mr. CARPER) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to modify the exclusion relating to qualified small business stock.

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. MODIFICATIONS APPLICABLE TO QUALIFIED
4 SMALL BUSINESS STOCK**

5 (a) REDUCTION IN HOLDING PERIOD —

6 (1) IN GENERAL.—Section 1202(a) of the In-
7 ternal Revenue Code of 1986 is amended by striking
8 “5 years” and inserting “3 years”.

(2) CONFORMING AMENDMENTS.—Subsections (g)(2)(A) and (j)(1)(A) of section 1202 of such Code

1 are each amended by striking “5 years” and inserting
2 “3 years”.

3 (b) REPEAL OF MINIMUM TAX PREFERENCE.—

4 (1) IN GENERAL.—Section 57(a) of the Internal
5 Revenue Code of 1986 (relating to items of tax pref-
6 erence) is amended by striking paragraph (7).

7 (2) TECHNICAL AMENDMENT.—Section
8 53(d)(1)(B)(ii)(II) of such Code is amended by
9 striking “, (5), and (7)” and inserting “and (5)”.

10 (c) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to stock issued after the date of
12 the enactment of this Act.

