

107TH CONGRESS
2D SESSION

S. 3153

To amend the Internal Revenue Code of 1986 to make technical corrections,
and for other purposes.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 13, 2002

Mr. BAUCUS (for himself and Mr. GRASSLEY) 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 make
technical corrections, and for other purposes.

- 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; ETC.**
- 4 (a) SHORT TITLE.—This Act may be cited as the
- 5 “Tax Technical Corrections Act of 2002”.
- 6 (b) AMENDMENT OF 1986 CODE.—Except as other-
- 7 wise expressly provided, whenever in this Act an amend-
- 8 ment or repeal is expressed in terms of an amendment
- 9 to, or repeal of, a section or other provision, the reference

1 shall be considered to be made to a section or other provi-
2 sion of the Internal Revenue Code of 1986.

3 (c) TABLE OF CONTENTS.—The table of contents for
4 this Act is as follows:

Sec. 1. Short title; etc.
Sec. 2. Amendments related to Job Creation and Worker Assistance Act of
2002.
Sec. 3. Amendments related to Economic Growth and Tax Relief Reconciliation
Act of 2001.
Sec. 4. Amendment related to Victims of Terrorism Tax Relief Act of 2001.
Sec. 5. Amendments related to Community Renewal Tax Relief Act of 2000.
Sec. 6. Amendments related to Taxpayer Relief Act of 1997.
Sec. 7. Other technical corrections.
Sec. 8. Clerical amendments.

5 **SEC. 2. AMENDMENTS RELATED TO JOB CREATION AND**
6 **WORKER ASSISTANCE ACT OF 2002.**

7 (a) AMENDMENTS RELATED TO SECTION 101 OF
8 THE ACT.—

9 (1) Subparagraph (A) of section 168(k)(2) is
10 amended—

11 (A) by striking “but only if no written
12 binding contract for the acquisition was in ef-
13 fect before September 11, 2001,” in clause
14 (iii)(I), and

15 (B) by adding at the end the following new
16 sentence:

17 “Such term shall not include any property with
18 respect to which a written binding contract is in
19 effect before September 11, 2001, for the acqui-
20 sition of such property or, in the case of prop-

1 erty manufactured, constructed, or produced for
2 the taxpayer's own use, for the manufacture,
3 construction, or production of such property.”.

4 (2) Clause (ii) of section 168(k)(2)(D) is
5 amended—

6 (A) by inserting “clause (iii) and” before
7 “subparagraph (A)(ii)”,

8 (B) by inserting “is” after “if property”,
9 and

10 (C) by striking “is” in subclause (I).

11 (3) Subparagraph (D) of section 168(k)(2) is
12 amended by adding at the end the following new
13 clause:

14 “(iii) SYNDICATION.—For purposes of
15 subparagraph (A)(ii), if—

16 “(I) property is originally placed
17 in service after September 10, 2001,
18 by the lessor of such property,

19 “(II) such property is sold by
20 such lessor or any subsequent pur-
21 chaser within 3 months after the date
22 so placed in service, and

23 “(III) the user of such property
24 after the last sale during such 3-
25 month period remains the same as

6 (b) AMENDMENTS RELATED TO SECTION 102 OF
7 THE ACT.—

12 (A) an application under section 6411(a)
13 of the Internal Revenue Code of 1986 with re-
14 spect to such loss shall not fail to be treated as
15 timely filed if filed before November 1, 2002,
16 and

17 (B) any election made under subsection
18 (b)(3) or (j) of section 172 of such Code may
19 (notwithstanding such subsections) be revoked
20 before November 1, 2002.

21 (3) Section 102(c)(2) of the Job Creation and
22 Worker Assistance Act of 2002 (Public Law 107–
23 147) is amended by striking “before January 1,
24 2003” and inserting “after December 31, 1995”.

1 (4)(A) Subclause (I) of section 56(d)(1)(A)(i) is
2 amended by striking “attributable to carryovers”.

5 (i) by striking “for taxable years” and in-
6 serting “from taxable years”, and

7 (ii) by striking “carryforwards” and insert-
8 ing “carryovers”.

9 (c) AMENDMENTS RELATED TO SECTION 301 OF
10 THE ACT.—

13 (A) by striking “subchapter B” and insert-
14 ing “subchapter A”, and

15 (B) in clause (ii), by striking
16 “subparagraph (B)” and inserting “this para-
17 graph”.

20 (A) by striking “but only if no written
21 binding contract for the acquisition was in ef-
22 fect before September 11, 2001,” in clause (iv),
23 and

24 (B) by adding at the end the following new
25 sentence: "The term 'qualified New York Lib-

1 erty Zone property' shall not include any prop-
2 erty with respect to which a written binding
3 contract is in effect before September 11, 2001,
4 for the acquisition of such property or, in the
5 case of property manufactured, constructed, or
6 produced for the taxpayer's own use, for the
7 manufacture, construction, or production of
8 such property.".

9 (3) Paragraph (2) of section 1400L(f) is
10 amended by inserting before the period “, deter-
11 mined without regard to subparagraph (C)(i) there-
12 of”.

13 (d) AMENDMENT RELATED TO SECTION 405 OF THE
14 Act.—The last sentence of section 4006(a)(3)(E)(iii)(IV)
15 of the Employee Retirement Income Security Act of 1974
16 (29 U.S.C. 1306(a)(3)(E)(iii)(IV)) is amended—

17 (1) by inserting “or this subparagraph” after
18 “this clause” both places it appears, and
19 (2) by inserting “(other than sections 4005,
20 4010, 4011, and 4043)” after “subsections”.

21 (e) AMENDMENT RELATED TO SECTION 411 OF THE
22 Act.—Section 411(c)(2)(B) of the Job Creation and
23 Worker Assistance Act of 2002 is amended by striking
24 “Paragraph (2)” and inserting “Paragraph (1)”.

1 (f) EFFECTIVE DATE.—The amendments made by
2 this section shall take effect as if included in the provisions
3 of the Job Creation and Worker Assistance Act of 2002
4 to which they relate.

5 SEC. 3. AMENDMENTS RELATED TO ECONOMIC GROWTH
6 AND TAX RELIEF RECONCILIATION ACT OF
7 2001.

8 (a) AMENDMENT RELATED TO SECTION 401 OF THE
9 ACT.—Clause (i) of section 530(d)(2)(C) is amended by
10 striking “higher” after “qualified”.

11 (b) AMENDMENT RELATED TO SECTION 611 OF THE
12 ACT.—Section 415(d)(4)(A) is amended by adding at the
13 end the following new sentence: “This subparagraph shall
14 also apply for purposes of any provision of this title that
15 provides for adjustments in accordance with the method
16 contained in this subsection, except to the extent provided
17 in such provision.”.

18 (c) AMENDMENT RELATED TO SECTION 637 OF THE
19 ACT.—Section 408(p)(6)(A)(i) is amended by adding at
20 the end the following new sentence: “For purposes of the
21 preceding sentence, amounts described in section
22 6051(a)(3) shall be determined without regard to section
23 3401(a)(3).”.

24 (d) EFFECTIVE DATE.—The amendments made by
25 this section shall take effect as if included in the provisions

1 of the Economic Growth and Tax Relief Reconciliation Act
2 of 2001 to which they relate.

3 **SEC. 4. AMENDMENT RELATED TO VICTIMS OF TERRORISM**

4 **TAX RELIEF ACT OF 2001.**

5 (a) AMENDMENT RELATED TO SECTION 201 OF THE
6 ACT.—Clause (iv) of section 6103(i)(7)(B) is amended by
7 inserting “and subparagraph (A)” after “this subpara-
8 graph”.

9 (b) EFFECTIVE DATE.—The amendment made by
10 this section shall take effect as if included in section 201
11 of the Victims of Terrorism Tax Relief Act of 2001.

12 **SEC. 5. AMENDMENTS RELATED TO COMMUNITY RENEWAL**

13 **TAX RELIEF ACT OF 2000.**

14 (a) AMENDMENTS RELATED TO SECTION 401 OF
15 THE ACT.—

16 (1) Subsection (c) of section 1234B is amended
17 by adding at the end the following new sentence:
18 “The Secretary may prescribe regulations regarding
19 the status of contracts the value of which are deter-
20 mined directly or indirectly by reference to an index
21 which becomes (or ceases to be) a narrow-based se-
22 curity index (as defined for purposes of section
23 1256(g)(6)).”.

24 (2) Paragraph (6) of section 1256(g) is amend-
25 ed by adding at the end the following new sentence:

1 “The Secretary may prescribe regulations regarding
2 the status of options the value of which are deter-
3 mined directly or indirectly by reference to an index
4 which becomes (or ceases to be) a narrow-based se-
5 curity index (as so defined).”.

6 (b) **EFFECTIVE DATE.**—The amendments made by
7 this section shall take effect as if included in section 401
8 of the Community Renewal Tax Relief Act of 2000.

9 **SEC. 6. AMENDMENTS RELATED TO TAXPAYER RELIEF ACT**

10 **OF 1997.**

11 (a) **AMENDMENTS RELATED TO SECTION 1001 OF**
12 **THE ACT.**—

13 (1) Paragraph (2) of section 1259(c) is amend-
14 ed by striking “The term ‘constructive sale’ shall not
15 include any contract” and inserting “A taxpayer
16 shall not be treated as having made a constructive
17 sale solely because the taxpayer enters into a con-
18 tract”.

19 (2) Subparagraphs (A) and (B)(i) of section
20 1259(c)(3) are each amended by striking “be treated
21 as a constructive sale” and inserting “cause a con-
22 structive sale”.

23 (3) Clause (i) of section 1259(c)(3)(A) is
24 amended by striking “before the end of” and insert-
25 ing “on or before”.

19 (b) AMENDMENT RELATED TO SECTION 1031 OF
20 THE ACT.—Section 4261(e)(4) is amended by adding at
21 the end the following new subparagraph:

22 “(D) SPECIAL RULE FOR AMOUNTS PAID
23 FOR DOMESTIC SEGMENTS BEGINNING AFTER
24 2002.—If an amount is paid during a calendar
25 year for a domestic segment beginning in a

1 later calendar year, then the rate of tax under
2 subsection (b) on such amount shall be the rate
3 in effect for the calendar year in which such
4 amount is paid.”

5 (c) EFFECTIVE DATE.—

6 (1) AMENDMENTS RELATED TO SECTION
7 1001.—The amendments made by subsection (a)
8 shall take effect as if included in section 1001 of the
9 Taxpayer Relief Act of 1997.

10 (2) AMENDMENTS RELATED TO SECTION
11 1031.—The amendment made by subsection (b) shall
12 apply to segments beginning after December 31,
13 2002.

14 **SEC. 7. OTHER TECHNICAL CORRECTIONS.**

15 (a) DEFINITION OF VALID TAXPAYER IDENTIFICA-
16 TION NUMBER FOR EARNED INCOME CREDIT.—Section
17 32(m) is amended to read as follows:

18 “(m) IDENTIFICATION NUMBERS.—Solely for pur-
19 poses of subsections (c)(1)(F) and (e)(3)(D), a taxpayer
20 identification number means a social security number as-
21 signed by the Social Security Administration—

22 “(1) to a citizen of the United States, or

23 “(2) to an individual pursuant to subclause (I)
24 (or that portion of subclause (III) that relates to

1 subclause (I)) of section 205(c)(2)(B)(i) of the So-
2 cial Security Act.”.

3 (b) EFFECTIVE DATE.—The amendment made by
4 this subsection shall apply to taxable years beginning after
5 the date of the enactment of this Act.

6 **SEC. 8. CLERICAL AMENDMENTS.**

7 (a) The heading for subparagraph (F) of section
8 168(k)(2) is amended by striking “MINIMUM” and insert-
9 ing “MINIMUM”.

10 (b) The item relating to section 1234B in the table
11 of sections for subpart IV of subchapter P of chapter 1
12 is amended to read as follows:

“Sec. 1234B. Gains or losses from securities futures contracts.”.

13 (c) Section 156(c) of the Community Renewal Tax
14 Relief Act of 2000 (114 Stat. 2763A–623) is amended in
15 the first sentence by inserting “than” after “not later”.

○