

107TH CONGRESS
1ST SESSION

S. 676

To amend the Internal Revenue Code of 1986 to extend permanently the subpart F exemption for active financing income.

IN THE SENATE OF THE UNITED STATES

APRIL 2 (legislative day, MARCH 30), 2001

Mr. HATCH (for himself, Mr. BAUCUS, Mr. ENSIGN, Mr. MURKOWSKI, Mr. TORRICELLI, Mr. SCHUMER, and Mr. BREAUX) 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 extend permanently the subpart F exemption for active financing income.

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. PERMANENT SUBPART F EXEMPTION FOR AC-
4 TIVE FINANCING INCOME.**

5 (a) BANKING, FINANCING, OR SIMILAR BUSI-
6 NESSES.—Section 954(h) of the Internal Revenue Code of
7 1986 (relating to special rule for income derived in the
8 active conduct of banking, financing, or similar busi-
9 nesses) is amended by striking paragraph (9).

1 (b) INSURANCE BUSINESSES.—Section 953(e) of the
2 Internal Revenue Code of 1986 (defining exempt insur-
3 ance income) is amended by striking paragraph (10) and
4 by redesignating paragraph (11) as paragraph (10).

5 (c) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to taxable years of a foreign cor-
7 poration beginning after December 31, 2001, and to tax-
8 able years of United States shareholders with or within
9 which such taxable years of such foreign corporation end.

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