

107TH CONGRESS  
1ST SESSION

S. 97

To amend the Internal Revenue Code of 1986 with respect to the eligibility of veterans for mortgage revenue bond financing, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 22, 2001

Mr. KOHL 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 with respect to the eligibility of veterans for mortgage revenue bond financing, 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. ELIGIBILITY OF VETERANS FOR MORTGAGE 4 REVENUE BONDS DETERMINED BY STATES.

5 (a) IN GENERAL.—Paragraph (4) of section 143(l)  
6 of the Internal Revenue Code of 1986 (defining qualified  
7 veteran) is redesignated as paragraph (6) of such section  
8 and amended to read as follows:

1                 “(6) QUALIFIED VETERAN.—For purposes of  
2                 this subsection, the term “qualified veteran” means  
3                 any veteran—

4                         “(A) who meets such requirements as may  
5                 be imposed by the State law pursuant to which  
6                 qualified veterans’ mortgage bonds are issued,

7                         “(B) who applied for the financing before  
8                 the date 30 years after the last date on which  
9                 such veteran left active service, and

10                         “(C) in the case of financing provided by  
11                 the proceeds of bonds issued during the period  
12                 beginning July 19, 1984, and ending June 30,  
13                 2001, who served on active duty at some time  
14                 before January 1, 1977.”.

15                 (b) EFFECTIVE DATE.—The amendments made by  
16                 subsection (a) shall apply to bonds issued after the date  
17                 of the enactment of this Act.

18 **SEC. 2. STATE CAP RESTRICTIONS.**

19                 (a) IN GENERAL.—Section 143(l) of the Internal  
20                 Revenue Code of 1986 (relating to additional requirements  
21                 for qualified veterans’ mortgage bonds), as amended by  
22                 section 1(a), is amended by inserting after paragraph (3)  
23                 the following new paragraph:

24                         “(4) SUBCAP RESTRICTION.—

1                         “(A) IN GENERAL.—An issue meets the re-  
 2                         quirements of this paragraph only if the  
 3                         amount of bonds issued pursuant thereto that  
 4                         is to be used to provide financing to mortgagors  
 5                         who have not served on active duty at some  
 6                         time before January 1, 1977, when added to  
 7                         the amount of the aggregate qualified veterans’  
 8                         mortgage bonds previously issued by the State  
 9                         during the calendar year that is to be so used,  
 10                         does not exceed the subcap amount.

11                         “(B) SUBCAP AMOUNT.—

12                         “(i) IN GENERAL.—The subcap  
 13                         amount for any calendar year is an  
 14                         amount equal to the applicable percentage  
 15                         of the State veterans limit for such year.

16                         “(ii) APPLICABLE PERCENTAGE.—For  
 17                         purposes of clause (i), the applicable per-  
 18                         centage shall be determined under the fol-  
 19                         lowing table:

“Calendar year:	Applicable Percentage:
2002 .....	10
2003 .....	20
2004 .....	30
2005 .....	40
2006 and thereafter .....	50.”.

20                         (b) RESTRICTION ON OVERALL STATE CAP.—Para-  
 21                         graph (3)(B) of section 143(l) of such Code (relating to

1 State veterans limit) is amended by adding at the end the  
2 following flush sentence:

3           “But in no event shall the State veterans limit  
4           exceed \$340,000,000 for any calendar year  
5           after 2002.”.

6       (c) CONFORMING AMENDMENT.—The matter pre-  
7 ceding paragraph (1) of section 143(l) of such Code is  
8 amended by striking “and (3)” and inserting “, (3), and  
9 (4)”.

10     (d) EFFECTIVE DATE.—The amendments made by  
11 this section shall apply to bonds issued after December  
12 31, 2001.

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