

108TH CONGRESS
1ST SESSION

H. R. 1100

To amend the Internal Revenue Code of 1986 to clarify that certain options offered by tax-exempt organizations are not includible in gross income under section 457(f).

IN THE HOUSE OF REPRESENTATIVES

MARCH 5, 2003

Mr. RAMSTAD introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to clarify that certain options offered by tax-exempt organizations are not includible in gross income under section 457(f).

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. CERTAIN OPTIONS NOT SUBJECT TO SECTION**
4 **457(f) GROSS INCOME INCLUSION RULE.**

5 (a) IN GENERAL.—Paragraph (2) of section 457(f)
6 of the Internal Revenue Code of 1986 (relating to excep-
7 tions) is amended by striking “and” at the end of subpara-
8 graph (D), by striking the period at the end of subpara-

1 graph (E) and inserting “, and”, and by inserting after
2 subparagraph (E) the following new subparagraph:

3 “(F) the grant of an option without a
4 readily ascertainable fair market value in con-
5 nection with the performance of services.”.

6 (b) EFFECTIVE DATE.—The amendment made by
7 this section shall apply to options granted after December
8 31, 2002.

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