

108TH CONGRESS  
1ST SESSION

# H. R. 974

To amend the Internal Revenue Code of 1986 to provide capital gain treatment under section 631(b) of such Code for outright sales of timber by landowners.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 27, 2003

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

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## A BILL

To amend the Internal Revenue Code of 1986 to provide capital gain treatment under section 631(b) of such Code for outright sales of timber by landowners.

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.**

4 This Act may be cited as the “Timber Tax Simplifica-  
5 tion Act of 2003”.

1 **SEC. 2. CAPITAL GAIN TREATMENT UNDER SECTION 631(b)**  
2 **TO APPLY TO OUTRIGHT SALES BY LAND-**  
3 **OWNERS.**

4 (a) **IN GENERAL.**—The first sentence of section  
5 631(b) of the Internal Revenue Code of 1986 (relating to  
6 disposal of timber with a retained economic interest) is  
7 amended by striking “retains an economic interest in such  
8 timber” and inserting “either retains an economic interest  
9 in such timber or makes an outright sale of such timber”.

10 (b) **CONFORMING AMENDMENTS.**—

11 (1) The third sentence of section 631(b) of such  
12 Code is amended by striking “The date of disposal”  
13 and inserting “In the case of disposal of timber with  
14 a retained economic interest, the date of disposal”.

15 (2) The heading for section 631(b) of such  
16 Code is amended by striking “WITH A RETAINED  
17 ECONOMIC INTEREST”.

18 (c) **EFFECTIVE DATE.**—The amendments made by  
19 this section shall apply to sales after the date of the enact-  
20 ment of this Act.

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