

108TH CONGRESS  
1ST SESSION

# S. 181

To require a review of accounting treatment of stock option plans, and the establishment of an appropriate stock option accounting principle within 1 year.

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## IN THE SENATE OF THE UNITED STATES

JANUARY 16, 2003

Mr. LEVIN (for himself and Mr. MCCAIN) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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## A BILL

To require a review of accounting treatment of stock option plans, and the establishment of an appropriate stock option accounting principle within 1 year.

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 “Stock Option Account-  
5       ing Review Act”.

1 **SEC. 2. REVIEW OF STOCK OPTION ACCOUNTING TREAT-**  
2 **MENT.**

3 Section 108 of the Sarbanes-Oxley Act of 2002 (15  
4 U.S.C. 7218, 116 Stat. 768) is amended by adding at the  
5 end the following:

6 “(e) STOCK OPTION ACCOUNTING TREATMENT.—  
7 The standard setting body described in section 19(b)(1)  
8 of the Securities Act of 1933 shall, for purposes of estab-  
9 lishing generally accepted accounting principles—

10 “(1) review the accounting treatment of em-  
11 ployee stock options; and

12 “(2) not later than 1 year after the date of en-  
13 actment of this subsection, adopt an appropriate  
14 generally accepted accounting principle for the treat-  
15 ment of employee stock options.”.

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