

108TH CONGRESS
2D SESSION

S. 2106

To amend the Internal Revenue Code of 1986 to provide capital gains treatment for certain self-created musical works.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 24, 2004

Mr. BUNNING (for himself, Mr. MILLER, Mr. ALEXANDER, and Mr. HATCH) 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 provide capital gains treatment for certain self-created musical works.

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 “Songwriters Capital
5 Gains Tax Equity Act”.

6 **SEC. 2. CAPITAL GAINS TREATMENT FOR CERTAIN SELF-**
7 **CREATED MUSICAL WORKS.**

8 (a) IN GENERAL.—Subsection (b) of section 1221 of
9 the Internal Revenue Code of 1986 (relating to capital

1 asset defined) is amended by redesignating paragraph (3)
 2 as paragraph (4) and by inserting after paragraph (2) the
 3 following new paragraph:

4 “(3) SALE OR EXCHANGE OF SELF-CREATED
 5 MUSICAL WORKS.—At the election of the taxpayer,
 6 paragraphs (1) and (3) of subsection (a) shall not
 7 apply with respect to any sale or exchange of musi-
 8 cal compositions or copyrights in musical works by
 9 a taxpayer described in subsection (a)(3).”.

10 (b) LIMITATION ON CHARITABLE CONTRIBUTIONS.—
 11 Subparagraph (A) of section 170(e)(1) of the Internal
 12 Revenue Code of 1986 is amended by inserting “(deter-
 13 mined without regard to section 1221(b)(3))” after “long-
 14 term capital gain”.

15 (c) EFFECTIVE DATE.—The amendments made by
 16 this section shall apply to taxable years beginning after
 17 the date of the enactment of this Act.

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