

108TH CONGRESS  
1ST SESSION

# S. 855

To amend the Internal Revenue Code of 1986 to modify the unrelated business income limitation on investment in certain debt-financed properties.

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IN THE SENATE OF THE UNITED STATES

APRIL 10, 2003

Ms. SNOWE (for herself, Mr. BOND, and Mr. GRASSLEY) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to modify the unrelated business income limitation on investment in certain debt-financed properties.

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 “Small Business Invest-  
5 ment Company Capital Access Act of 2003”.

1 **SEC. 2. MODIFICATION OF UNRELATED BUSINESS INCOME**  
2 **LIMITATION ON INVESTMENT IN CERTAIN**  
3 **DEBT-FINANCED PROPERTIES.**

4 (a) IN GENERAL.—Section 514(c)(6) of the Internal  
5 Revenue Code of 1986 (relating to acquisition indebted-  
6 ness) is amended—

7 (1) by striking “include an obligation” and in-  
8 serting “include—

9 “(A) an obligation”,

10 (2) by striking the period at the end and insert-  
11 ing “, or”, and

12 (3) by adding at the end the following:

13 “(B) indebtedness incurred by a small  
14 business investment company licensed under the  
15 Small Business Investment Act of 1958 which  
16 is evidenced by a debenture—

17 “(i) issued by such company under  
18 section 303(a) of such Act, or

19 “(ii) held or guaranteed by the Small  
20 Business Administration.”.

21 (b) EFFECTIVE DATE.—The amendments made by  
22 subsection (a) shall apply to acquisitions made on or after  
23 the date of the enactment of this Act.

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