

109TH CONGRESS  
1ST SESSION

# H. R. 2941

To amend the Internal Revenue Code of 1986 to modify the qualified small  
issue bond provisions.

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IN THE HOUSE OF REPRESENTATIVES

JUNE 16, 2005

Mr. ENGLISH of Pennsylvania 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 modify  
the qualified small issue bond provisions.

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 “Bond Financing Re-  
5 newal Act of 2005”.

6 **SEC. 2. ACCELERATION OF EXPANSION OF QUALIFIED**  
7 **SMALL-ISSUE BOND PROGRAM.**

8 Subparagraph (G) of section 144(a)(4) of the Inter-  
9 nal Revenue Code of 1986 (relating to additional capital

1 expenditures not taken into account) is amended by strik-  
 2 ing “2009” and inserting “2006”.

3 **SEC. 3. ACQUISITION INTEREST EXPENSES OF FINANCIAL**  
 4 **INSTITUTIONS FOR SMALL ISSUE BONDS**  
 5 **MADE DEDUCTIBLE.**

6 (a) IN GENERAL.—Clause (ii) of section  
 7 265(b)(3)(B) of the Internal Revenue Code of 1986 (relat-  
 8 ing to certain bonds not treated as private activity bonds)  
 9 is amended by striking “or” at the end of subclause (I),  
 10 by striking the period at the end of subclause (II) and  
 11 inserting “, or”, and by inserting after subclause (II) the  
 12 following new subclause:

13 “(III) any obligation which is a  
 14 qualified small issue bond described in  
 15 section 144(a)(12)(B) if such obliga-  
 16 tion is part of an issue the aggregate  
 17 authorized face amount of which is  
 18 less than \$2,000,000.”.

19 (b) EFFECTIVE DATE.—The amendment made by  
 20 this section shall apply to obligations issued after the date  
 21 of the enactment of this Act.

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