

109TH CONGRESS
1ST SESSION

S. 2077

To amend the Internal Revenue Code of 1986 to allow income averaging
for private forest landowners.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 18, 2005

Mr. SESSIONS 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 allow
income averaging for private forest 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 “Tax Relief for Private
5 Forest Landowners Act of 2005”.

6 **SEC. 2. INCOME AVERAGING FOR PRIVATE FOREST LAND-**
7 **OWNERS.**

8 (a) IN GENERAL.—Section 1301 of the Internal Rev-
9 enue Code of 1986 is amended by redesignating subsection

1 (c) as subsection (d) and by inserting after subsection (b)
 2 the following new subsection:

3 “(c) TREATMENT OF SALE OR EXCHANGE OF TIM-
 4 BER.—For purposes of this section—

5 “(1) an individual who sells or exchanges tim-
 6 ber shall be treated as engaged in a farming busi-
 7 ness, and

8 “(2) income which is attributable to the sale or
 9 exchange of timber shall be treated as income attrib-
 10 utable to a farming business.”.

11 (b) EFFECTIVE DATE.—The amendments made by
 12 this section shall apply to taxable years beginning after
 13 the date of the enactment of this Act.

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