

110TH CONGRESS
1ST SESSION

S. 2040

To amend the Internal Revenue Code of 1986 to increase the alternative tax liability limitation for small property and casualty insurance companies.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 12, 2007

Mr. BOND (for himself and Mrs. LINCOLN) 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 increase the alternative tax liability limitation for small property and casualty insurance companies.

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. INCREASE IN LIMITATION FOR ALTERNATIVE
4 TAX LIABILITY FOR SMALL PROPERTY AND
5 CASUALTY INSURANCE COMPANIES.

6 (a) IN GENERAL.—Clause (i) of section 831(b)(2)(A)
7 of the Internal Revenue Code of 1986 is amended to read
8 as follows:

1 taxable year do not exceed \$1,971,000,
2 and".

3 (b) INFLATION ADJUSTMENT.—Paragraph (2) of sec-
4 tion 831(b) of such Code is amended by adding at the
5 end the following new subparagraph:

6 “(C) INFLATION ADJUSTMENT.—In the
7 case of any taxable year beginning in a calendar
8 year after 2007, the dollar amount set forth in
9 subparagraph (A) shall be increased by an
10 amount equal to—

11 “(i) such dollar amount, multiplied by
12 “(ii) the cost-of-living adjustment de-
13 termined under section 1(f)(3) for such
14 calendar year by substituting ‘calendar
15 year 2006’ for ‘calendar year 1992’ in sub-
16 paragraph (B) thereof. If the amount as
17 adjusted under the preceding sentence is
18 not a multiple of \$1,000, such amount
19 shall be rounded to the next lowest mul-
20 tiple of \$1,000.”.

21 (c) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to taxable years beginning after
23 December 31, 2006.

