

110TH CONGRESS
1ST SESSION

S. 940

To amend the Internal Revenue Code of 1986 to permanently extend the subpart F exemption for active financing income.

IN THE SENATE OF THE UNITED STATES

MARCH 20, 2007

Mr. BAUCUS (for himself, Mr. HATCH, and Mr. CRAPO) 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 permanently extend the subpart F exemption for active financing income.

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. PERMANENT SUBPART F EXEMPTION FOR AC-
4 TIVE FINANCING INCOME.**

5 (a) BANKING, FINANCING, OR SIMILAR BUSI-
6 NESSES.—Subsection (h) of section 954 of the Internal
7 Revenue Code of 1986 (relating to special rule for income
8 derived in the active conduct of banking, financing, or
9 similar businesses) is amended by striking paragraph (9).

1 (b) INSURANCE BUSINESSES.—Subsection (e) of sec-
2 tion 953 of such Code (relating to exempt insurance in-
3 come) is amended by striking paragraph (10) and by re-
4 designating paragraph (11) as paragraph (10).

5 (c) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to taxable years of a foreign cor-
7 poration beginning after the date of the enactment of this
8 Act, and to taxable years of United States shareholders
9 with or within which such taxable years of such foreign
10 corporation end.

○