

115TH CONGRESS
1ST SESSION

H. CON. RES. 97

Directing the Clerk of the House of Representatives to make corrections
in the enrollment of H.R. 1.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 18, 2017

Mr. POLIS submitted the following concurrent resolution; which was referred to the Committee on Ways and Means, and in addition to the Committee on House Administration, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

CONCURRENT RESOLUTION

Directing the Clerk of the House of Representatives to make
corrections in the enrollment of H.R. 1.

1 *Resolved by the House of Representatives (the Senate*
2 *concurring)*, That in the enrollment of the bill H.R. 1, the
3 Clerk of the House of Representatives shall add at the
4 end of title I the following new subtitle:

“Subtitle E—Miscellaneous

“SEC. 15001. EXPANSION OF LIMITATION ON DEDUCTIONS FOR EXPENDITURES FOR LOBBYING CON- GRESS.

“(a) IN GENERAL.—Section 162(e) is amended in paragraph (1)(D), by inserting ‘, or with a Senator, a Representative in, or a Delegate or Resident Commissioner to, the Congress (or a senior staff member for such Senator, Representative, Delegate, or Resident Commissioner),’ after ‘executive branch official’.

“(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to amounts paid or incurred after December 31, 2017.”.

TAX-FREE PRODUCTION OF KOMBUCHA

SEC. 15002.

(a) EXCEPTION FROM DEFINITION OF BREWER.— Subsection (d) of section 5052 of the Internal Revenue Code of 1986 is amended to read as follows:

“(d) BREWER.—

“(1) IN GENERAL.—For purposes of this chapter, the term ‘brewer’ means any person who brews beer or produces beer for sale.

“(2) EXCEPTION.—The term ‘brewer’ shall not include any person who—

1 “(A) produces only beer exempt from tax
2 under subsection (e) of section 5053, or

3 “(B) produces only kombucha exempt from
4 tax under subsection (i) of such section.”.

5 (b) EXEMPTION FROM TAX.—Section 5053 of the In-
6 ternal Revenue Code of 1986 is amended—

7 (1) by redesignating subsection (i) as subsection
8 (j); and

9 (2) by inserting after subsection (h) the fol-
10 lowing new subsection:

11 “(i) PRODUCTION OF KOMBUCHA.—

12 “(1) IN GENERAL.—Subject to regulation pre-
13 scribed by the Secretary, any person may, without
14 payment of tax, produce kombucha for consumption
15 or sale.

16 “(2) DEFINITION.—For purposes of this chap-
17 ter, the term ‘kombucha’ means a beverage which—

18 “(A) is fermented solely by a symbiotic cul-
19 ture of bacteria and yeast,

20 “(B) contains not more than 1.25 percent
21 of alcohol by volume,

22 “(C) is sold or offered for sale as
23 kombucha, and

24 “(D) is derived from—

1 “(i) sugar, malt or malt substitute,
 2 tea, or coffee, and
 3 “(ii) not more than 20 percent other
 4 wholesome ingredients.”.

5 VIRTUAL CURRENCY

6 SEC. 15003.

7 (a) IN GENERAL.—Part III of subchapter B of chap-
 8 ter 1 of the Internal Revenue Code of 1986 is amended
 9 by inserting after section 139G (as added by this Act) the
 10 following new section:

11 **“SEC. 139H. GAIN FROM SALE OR EXCHANGE OF VIRTUAL**
 12 **CURRENCY.**

13 “(a) IN GENERAL.—Gross income shall not include
 14 gain from the sale or exchange of virtual currency for
 15 other than cash or cash equivalents.

16 “(b) LIMITATION.—

17 “(1) IN GENERAL.—The amount of gain ex-
 18 cluded from gross income under subsection (a) with
 19 respect to a sale or exchange shall not exceed \$600.

20 “(2) AGGREGATION RULE.—For purposes of
 21 this subsection, all sales or exchanges which are part
 22 of the same transaction (or a series of related trans-
 23 actions) shall be treated as one sale or exchange.

24 “(c) VIRTUAL CURRENCY.—For purposes of this sec-
 25 tion, the term ‘virtual currency’ means a digital represen-

1 tation of value that is used as a medium of exchange and
 2 is not otherwise currency under section 988.

3 “(d) INFLATION ADJUSTMENT.—In the case of any
 4 taxable year beginning in a calendar year after 2018, the
 5 dollar amount in subsection (b) shall be increased by an
 6 amount equal to—

7 “(1) such dollar amount, multiplied by

8 “(2) the cost-of-living adjustment determined
 9 under section 1(f)(3) for the calendar year in which
 10 the taxable year begins, determined by substituting
 11 ‘calendar year 2017’ for ‘calendar year 1992’ in sub-
 12 paragraph (B) thereof.

13 Any increase determined under the preceding sentence
 14 shall be rounded to the nearest multiple of \$50.”.

15 (b) CLERICAL AMENDMENT.—The table of sections
 16 for part III of subchapter B of chapter 1 of such Code
 17 is amended by inserting after the item relating to section
 18 139F the following new item:

“Sec. 139H. Gain from sale or exchange of virtual currency.”.

19 (c) REPORTING OF GAINS OR LOSSES.—The Sec-
 20 retary shall issue regulations providing for information re-
 21 turns on virtual currency transactions for which gain or
 22 loss is recognized.

23 (d) EFFECTIVE DATE.—The amendments made by
 24 this section shall apply with respect to transactions en-
 25 tered into after December 31, 2017.

1 ALLOWANCE OF DEDUCTIONS AND CREDITS RELATING TO
2 EXPENDITURES IN CONNECTION WITH MARIJUANA
3 SALES CONDUCTED IN COMPLIANCE WITH STATE
4 LAW
5 SEC. 15004.

6 (a) IN GENERAL.—Section 280E is amended by in-
7 serting before the period at the end the following: “, unless
8 such trade or business consists of marijuana sales con-
9 ducted in compliance with State law”.

10 (b) EFFECTIVE DATE.—The amendment made by
11 this section shall apply with respect to taxable years end-
12 ing after the date of the enactment of this Act.

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