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118TH CONGRESS
1ST SESSION

H. R. 5707

To amend the Internal Revenue Code of 1986 to exclude debt held by certain insurance companies from capital assets.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 26, 2023

Mr. FEENSTRA (for himself and Ms. SEWELL) 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 exclude debt held by certain insurance companies from capital assets.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Secure Family Futures Act of 2023''.

SEC. 2. DEBT NOT TREATED AS CAPITAL ASSET FOR APPLICABLE INSURANCE COMPANIES.

(a) EXCLUSION FROM CAPITAL ASSETS.—Section 1221(a) of the Internal Revenue Code of 1986 is amended by striking ''or'' at the end of paragraph (7), by striking the period at the end of paragraph (8) and inserting ''; or'', and by adding at the end the following new paragraph:

''(9) any note, bond, debenture, or other evidence of indebtedness held by an applicable insurance company.''.

(b) APPLICABLE INSURANCE COMPANY DEFINED.—Section 1221(b) of such Code is amended by redesignating paragraph (4) as paragraph (5) and by inserting after paragraph (3) the following new paragraph:

''(4) APPLICABLE INSURANCE COMPANY.—for purposes of subsection (a)(9), the term 'applicable insurance company' means, with respect to any taxable year—

''(A) any insurance company other than an insurance company—

''(i) with respect to which an election is in effect under section 831(b)(2)(A)(iii) or 835(a) for such taxable year,

''(ii) which is a foreign corporation described in section 842, or

''(iii) which is an organization to which section 833 applies for such taxable year, or

"(B) a face-amount certificate company registered under the Investment Company Act of 1940.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to dispositions after the date of the enactment of this section.

(d) TRANSITION RULE.—For taxable years beginning after the date of the enactment of this section, a taxpayer may treat a capital loss carryover properly attributable to the disposition of an asset described in section 1221(a)(9) (as added by subsection (a)) prior to such date as a net operating loss carryover.

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