

104TH CONGRESS
2D SESSION

H. R. 4072

To amend the Internal Revenue Code of 1986 to provide that the alternative minimum tax shall not apply to installment sales of farm property.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 12, 1996

Mr. NETHERCUTT (for himself, Mr. ROBERTS, and Mr. HASTINGS of Washington) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to provide that the alternative minimum tax shall not apply to installment sales of farm property.

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. MINIMUM TAX NOT TO APPLY TO FARMERS'**
4 **INSTALLMENT SALES.**

5 (a) IN GENERAL.—The last sentence of paragraph
6 (6) of section 56(a) of the Internal Revenue Code of 1986
7 (relating to treatment of installment sales in computing
8 alternative minimum taxable income) is amended to read

1 as follows: “This paragraph shall not apply to any disposi-
2 tion—

3 “(A) in the case of a taxpayer using the
4 cash receipts and disbursements method of ac-
5 counting, described in section 453(l)(2)(A) (re-
6 lating to farm property), or

7 “(B) with respect to which an election is in
8 effect under section 453(l)(2)(B) (relating to
9 timeshares and residential lots).”

10 (b) EFFECTIVE DATES.—

11 (1) IN GENERAL.—The amendment made by
12 this section shall apply to taxable years beginning
13 after December 31, 1987.

14 (2) SPECIAL RULE FOR 1987.—In the case of
15 taxable years beginning in 1987, the last sentence of
16 section 56(a)(6) of the Internal Revenue Code of
17 1986 (as in effect for such taxable years) shall be
18 applied by inserting “or in the case of a taxpayer
19 using the cash receipts and disbursements method of
20 accounting, any disposition described in section
21 453(l)(2)(A)” after “section 453C(e)(4)”.

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