

105TH CONGRESS  
2D SESSION

# H. R. 4132

To amend the Internal Revenue Code of 1986 to allow physicians and dentists to use the cash basis of accounting for income tax purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 24, 1998

Mr. MANZULLO (for himself, Mr. CRANE, Mr. WELLER, and Mr. MATSUI) 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 allow physicians and dentists to use the cash basis of accounting for income tax purposes.

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. SHORT TITLE.**

4 This Act may be cited as the “Accounting Fairness  
5 for Physicians and Dentists Act of 1998”.

6 **SEC. 2. CASH BASIS OF ACCOUNTING FOR PHYSICIANS AND**  
7 **DENTISTS.**

8 (a) IN GENERAL.—Subsection (b) of section 446 of  
9 the Internal Revenue Code of 1986 (relating to exceptions

1 to the general rule for methods of accounting) is amended  
2 to read as follows:

3 “(b) EXCEPTIONS.—

4 “(1) IN GENERAL.—If no method of accounting  
5 has been regularly used by the taxpayer, or if the  
6 method used does not clearly reflect income, the  
7 computation of taxable income shall be made under  
8 such method as, in the opinion of the Secretary,  
9 does clearly reflect income.

10 “(2) CERTAIN PHYSICIANS AND DENTISTS.—A  
11 person engaged in the trade or business of providing  
12 a service as a physician or dentist (within the mean-  
13 ing of paragraph (1) or (2) of section 1861(r) of the  
14 Social Security Act) shall not be required to com-  
15 pute income under an accrual method of account-  
16 ing.”.

17 (b) EFFECTIVE DATE.—The amendment made by  
18 subsection (a) shall apply to taxable years beginning after  
19 December 31, 1997.

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