

108TH CONGRESS  
1ST SESSION

# S. 252

To amend the Internal Revenue Code of 1986 to provide special rules relating to the replacement of livestock sold on account of weather-related conditions.

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## IN THE SENATE OF THE UNITED STATES

JANUARY 30, 2003

Mr. THOMAS (for himself, Mr. ENZI, Mr. HAGEL, Mr. ROBERTS, and Mr. DOMENICI) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to provide special rules relating to the replacement of livestock sold on account of weather-related conditions.

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. SPECIAL RULES FOR LIVESTOCK SOLD ON AC-**  
4 **COUNT OF WEATHER-RELATED CONDITIONS.**

5 (a) RULES FOR REPLACEMENT OF INVOLUNTARILY  
6 CONVERTED LIVESTOCK.—Subsection (e) of section 1033  
7 of the Internal Revenue Code of 1986 (relating to involun-  
8 tary conversions) is amended—

1 (1) by striking “CONDITIONS.—For purposes”  
2 and inserting “CONDITIONS.—

3 “(1) IN GENERAL.—For purposes”, and

4 (2) by adding at the end the following new  
5 paragraph:

6 “(2) EXTENSION OF REPLACEMENT PERIOD.—

7 “(A) IN GENERAL.—In the case of  
8 drought, flood, or other weather-related condi-  
9 tions described in paragraph (1) which result in  
10 the area being designated as eligible for assist-  
11 ance by the Federal Government, subsection  
12 (a)(2)(B) shall be applied with respect to any  
13 converted property by substituting ‘4 years’ for  
14 ‘2 years’.

15 “(B) FURTHER EXTENSION BY SEC-  
16 RETARY.—The Secretary may extend on a re-  
17 gional basis the period for replacement under  
18 this section (after the application of subpara-  
19 graph (A)) for such additional time as the Sec-  
20 retary determines appropriate if the weather-re-  
21 lated conditions which resulted in such applica-  
22 tion continue for more than 3 years.”.

23 (b) INCOME INCLUSION RULES.—Section 451(e) of  
24 the Internal Revenue Code of 1986 (relating to special  
25 rule for proceeds from livestock sold on account of

1 drought, flood, or other weather-related conditions) is  
2 amended by adding at the end the following new para-  
3 graph:

4           “(3) SPECIAL ELECTION RULES.—If section  
5           1033(e)(2) applies to a sale or exchange of livestock  
6           described in paragraph (1), the election under para-  
7           graph (1) shall be deemed valid if made during the  
8           replacement period described in such section.”.

9           (c) EFFECTIVE DATE.—The amendments made by  
10 this section shall apply to sales and exchanges after De-  
11 cember 31, 2001, in taxable years ending after such date.

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