

103^D CONGRESS
2^D SESSION

H. R. 4714

To amend the Internal Revenue Code of 1986 to restore the exception to the market discount rules for tax-exempt obligations.

IN THE HOUSE OF REPRESENTATIVES

JUNE 30, 1994

Mr. CARDIN 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 restore the exception to the market discount rules for tax-exempt obligations.

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. RESTORATION OF EXCEPTION FROM MARKET**
4 **DISCOUNT RULES FOR TAX-EXEMPT OBLIGA-**
5 **TIONS.**

6 (a) IN GENERAL.—Paragraph (1) of section 1278(a)
7 of the Internal Revenue Code of 1986 (defining market
8 discount bond) is amended—

9 (1) by adding at the end of subparagraph (B)
10 the following new clause:

1 “(iv) TAX-EXEMPT OBLIGATIONS.—

2 Any tax-exempt obligation (as defined in
3 section 1275(a)(3)).”, and

4 (2) by striking subparagraph (C) and redesignig-
5 nating subparagraph (D) as subparagraph (C).

6 (b) CONFORMING AMENDMENTS.—

7 (1) Sections 1276(a)(4) and 1278(b)(1) of such
8 Code are each amended by striking “103,”.

9 (2) Subparagraph (B) of section 1278(a)(4) of
10 such Code is amended by striking “or, in the case
11 of a tax-exempt obligation” and all that follows and
12 inserting a period.

13 (c) EFFECTIVE DATE.—The amendments made by
14 this section shall apply to obligations purchased (within
15 the meaning of section 1272(d)(1) of the Internal Revenue
16 Code of 1986) after April 30, 1993.

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