

104TH CONGRESS
1ST SESSION

H. R. 501

To amend the Internal Revenue Code of 1986 to provide that certain cash rents will not result in the recapture of the benefits of the special estate tax valuation rules for certain farm and other real property.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 13, 1995

Mr. BARRETT of Nebraska 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 certain cash rents will not result in the recapture of the benefits of the special estate tax valuation rules for certain farm and other real 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. SHORT TITLE.**

4 This Act may be cited as the “Farm Estate Fairness
5 Act”.

1 **SEC. 2. NO RECAPTURE OF SPECIAL ESTATE TAX VALU-**
2 **ATION BENEFIT WHERE QUALIFIED HEIR**
3 **RENTS ON NET CASH BASIS TO ANOTHER**
4 **MEMBER OF DECEDENT'S FAMILY.**

5 (a) IN GENERAL.—Subsection (c) of section 2032A
6 of the Internal Revenue Code of 1986 (relating to tax
7 treatment of dispositions and failures to use for qualified
8 use) is amended by adding at the end thereof the following
9 new paragraph:

10 “(8) EXCEPTION FOR NET CASH RENTING TO
11 ANOTHER FAMILY MEMBER.—For purposes of this
12 subsection, a qualified heir shall not be treated as
13 failing to use the qualified real property in a quali-
14 fied use solely because such heir rents such property
15 to another member of the decedent’s family on a net
16 cash basis.”

17 (b) EFFECTIVE DATE.—

18 (1) The amendment made by this section shall
19 apply with respect to estates of decedents dying
20 after December 31, 1976.

21 (2) If credit or refund of any overpayment of
22 tax resulting from the amendment made by this sec-
23 tion is barred at any time before the close of the 1-
24 year period beginning on the date of the enactment
25 of this Act by the operation of any law or rule of
26 law, credit or refund of such overpayment shall, nev-

- 1 ertheless, be allowed or made if claim therefor is
- 2 filed before the close of such 1-year period.

