

104TH CONGRESS
1ST SESSION

H. R. 831

To amend the Internal Revenue Code of 1986 to permanently extend the deduction for the health insurance costs of self-employed individuals, to repeal the provision permitting nonrecognition of gain on sales and exchanges effectuating policies of the Federal Communications Commission, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 6, 1995

Mr. ARCHER (for himself, Mr. MATSUI, Mr. THOMAS, and Mrs. JOHNSON of Connecticut) 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 permanently extend the deduction for the health insurance costs of self-employed individuals, to repeal the provision permitting nonrecognition of gain on sales and exchanges effectuating policies of the Federal Communications Commission, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. PERMANENT EXTENSION OF DEDUCTION FOR**
2 **HEALTH INSURANCE COSTS OF SELF-EM-**
3 **PLOYED INDIVIDUALS.**

4 (a) IN GENERAL.—Subsection (l) of section 162 of
5 the Internal Revenue Code of 1986 (relating to special
6 rules for health insurance costs of self-employed individ-
7 uals) is amended by striking paragraph (6).

8 (b) EFFECTIVE DATE.—The amendment made by
9 subsection (a) shall apply to taxable years beginning after
10 December 31, 1993.

11 **SEC. 2. REPEAL OF NONRECOGNITION ON FCC CERTIFIED**
12 **SALES AND EXCHANGES.**

13 (a) IN GENERAL.—Subchapter O of chapter 1 of the
14 Internal Revenue Code of 1986 is amended by striking
15 part V (relating to changes to effectuate FCC policy).

16 (b) CLERICAL AMENDMENT.—The table of parts for
17 such subchapter O is amended by striking the item relat-
18 ing to part V.

19 (c) EFFECTIVE DATE.—

20 (1) IN GENERAL.—The amendments made by
21 this section shall apply to—

22 (A) sales and exchanges on or after Janu-
23 ary 17, 1995, and

24 (B) sales and exchanges before such date
25 if the FCC tax certificate with respect to such
26 sale or exchange is issued on or after such date.

1 (2) BINDING CONTRACTS.—

2 (A) IN GENERAL.—The amendments made
3 by this section shall not apply to any sale or ex-
4 change pursuant to a written contract which
5 was binding on January 16, 1995, and at all
6 times thereafter before the sale or exchange, if
7 the FCC tax certificate with respect to such
8 sale or exchange was applied for, or issued, on
9 or before such date.

10 (B) SALES CONTINGENT ON ISSUANCE OF
11 CERTIFICATE.—A contract shall be treated as
12 not binding for purposes of subparagraph (A) if
13 the sale or exchange pursuant to such contract,
14 or the material terms of such contract, were
15 contingent, at any time on January 16, 1995,
16 on the issuance of an FCC tax certificate. The
17 preceding sentence shall not apply if the FCC
18 tax certificate for such sale or exchange is is-
19 sued on or before January 16, 1995.

20 (3) FCC TAX CERTIFICATE.—For purposes of
21 this subsection, the term “FCC tax certificate”
22 means any certificate of the Federal Communica-
23 tions Commission for the effectuation of section
24 1071 of the Internal Revenue Code of 1986 (as in

1 effect on the day before the date of the enactment
2 of this Act).

3 **SEC. 3. NONRECOGNITION ON INVOLUNTARY CONVER-**
4 **SIONS NOT TO APPLY IF REPLACEMENT**
5 **PROPERTY ACQUIRED FROM RELATED PER-**
6 **SON.**

7 (a) IN GENERAL.—Section 1033 of the Internal Rev-
8 enue Code of 1986 (relating to involuntary conversions)
9 is amended by redesignating subsection (i) as subsection
10 (j) and by inserting after subsection (h) the following new
11 subsection:

12 “(i) NONRECOGNITION NOT TO APPLY IF REPLACE-
13 MENT PROPERTY ACQUIRED FROM RELATED PERSON.—
14 Subsection (a) shall not apply if the replacement property
15 or stock acquired is acquired from a related person. For
16 purposes of the preceding sentence, a person is related to
17 another person if the relationship between such persons
18 would result in a disallowance of losses under section 267
19 or 707(b).”

20 (b) EFFECTIVE DATE.—The amendment made by
21 subsection (a) shall apply to replacement property or stock
22 acquired on or after February 6, 1995.

1 **SEC. 4. DENIAL OF EARNED INCOME CREDIT FOR INDIVID-**
2 **UALS HAVING MORE THAN \$2,500 OF INTER-**
3 **EST AND DIVIDEND INCOME.**

4 (a) IN GENERAL.—Paragraph (1) of section 32(c) of
5 the Internal Revenue Code of 1986 (defining eligible indi-
6 vidual) is amended by adding at the end the following new
7 subparagraph:

8 “(F) DENIAL OF CREDIT FOR INDIVIDUALS
9 HAVING MORE THAN \$2,500 OF INTEREST AND
10 DIVIDEND INCOME.—The term ‘eligible individ-
11 ual’ shall not include any individual if the ag-
12 gregate interest and dividend income of the tax-
13 payer for the taxable year exceeds \$2,500.”

14 (b) INFLATION ADJUSTMENT.—Subsection (i) of sec-
15 tion 32 of such Code (relating to inflation adjustments)
16 is amended by striking paragraph (2) and by inserting the
17 following new paragraphs:

18 “(2) INTEREST AND DIVIDEND INCOME LIMITA-
19 TION.—In the case of a taxable year beginning in a
20 calendar year after 1996, the dollar amount con-
21 tained in subsection (c)(1)(F) shall be increased by
22 an amount equal to—

23 “(A) such dollar amount, multiplied by

24 “(B) the cost-of-living adjustment deter-
25 mined under section 1(f)(3) for the calendar
26 year in which the taxable year begins, deter-

1 mined by substituting ‘calendar year 1995’ for
2 ‘calendar year 1992’ in subparagraph (B)
3 thereof.

4 “(3) ROUNDING.—If any amount as adjusted
5 under paragraph (1) or (2) is not a multiple of \$10,
6 such dollar amount shall be rounded to the nearest
7 multiple of \$10.”

8 (c) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to taxable years beginning after
10 December 31, 1995.

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