

104TH CONGRESS
2D SESSION

S. 1895

To amend the Internal Revenue Code of 1986 to allow certain cash rent farm landlords to deduct soil and water conservation expenditures.

IN THE SENATE OF THE UNITED STATES

JUNE 20, 1996

Mr. GRASSLEY introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to allow certain cash rent farm landlords to deduct soil and water conservation expenditures.

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. DEDUCTION FOR SOIL AND WATER CONSERVA-**
4 **TION EXPENDITURES EXTENDED TO CERTAIN**
5 **CASH RENT LANDLORDS.**

6 (a) IN GENERAL.—Subsection (c) of section 175 of
7 the Internal Revenue Code of 1986 (relating to soil and
8 water conservation expenditures) is amended by adding at
9 the end the following new paragraph:

1 “(4) CASH RENT LANDLORDS.—A taxpayer
2 shall be treated as engaged in the business of farm-
3 ing with respect to any land used in farming if such
4 taxpayer rents such land (regardless of the basis for
5 the rental payment) to a member of the taxpayer’s
6 family (as defined in section 2032A(e)(2)).”.

7 (b) EFFECTIVE DATE.—The amendment made by
8 this section shall apply to amounts paid or incurred after
9 December 31, 1996, in taxable years ending after such
10 date.

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