

105TH CONGRESS
1ST SESSION

S. 632

To amend the Internal Revenue Code of 1986 with respect to the eligibility of veterans for mortgage revenue bond financing, and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 23, 1997

Mr. KOHL (for himself and Mr. WYDEN) 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 with respect to the eligibility of veterans for mortgage revenue bond financing, 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,*

3 **SECTION 1. ELIGIBILITY OF VETERANS FOR MORTGAGE**
4 **REVENUE BONDS DETERMINED BY STATES.**

5 (a) IN GENERAL.—Paragraph (4) of section 143(l)
6 of the Internal Revenue Code of 1986 (defining qualified
7 veteran) is redesignated as paragraph (6) and amended
8 to read as follows:

1 “(6) QUALIFIED VETERAN.—For purposes of
2 this subsection, the term “qualified veteran” means
3 any veteran—

4 “(A) who meets such requirements as may
5 be imposed by the State law pursuant to which
6 qualified veterans’ mortgage bonds are issued,

7 “(B) who applied for the financing before
8 the date 30 years after the last date on which
9 such veteran left active service, and

10 “(C) in the case of financing provided by
11 the proceeds of bonds issued during the period
12 beginning July 19, 1984, and ending June 30,
13 1997, who served on active duty at some time
14 before January 1, 1977.

15 (b) EFFECTIVE DATE.—The amendments made by
16 subsection (a) shall apply to bonds issued after the date
17 of the enactment of this Act.

18 **SEC. 2. STATE CAP RESTRICTIONS.**

19 (a) IN GENERAL.—Section 143(*l*) of the Internal
20 Revenue Code of 1986 (relating to additional requirements
21 for qualified veterans’ mortgage bonds), as amended by
22 section 1(a), is amended by inserting after paragraph (3)
23 the following new paragraph:

24 “(4) SUBCAP RESTRICTION.—

1 “(A) IN GENERAL.— An issue meets the
 2 requirements of this paragraph only if the
 3 amount of bonds issued pursuant thereto that
 4 is to be used to provide financing to mortgagors
 5 who have not served on active duty at some
 6 time before January 1, 1977, when added to
 7 the amount of the aggregate qualified veterans’
 8 mortgage bonds previously issued by the State
 9 during the calendar year that is to be so used,
 10 does not exceed the subcap amount.

11 “(B) SUBCAP AMOUNT.—

12 “(i) IN GENERAL.—The subcap
 13 amount for any calendar year is an
 14 amount equal to the applicable percentage
 15 of the State veterans limit for such year.

16 “(ii) APPLICABLE PERCENTAGE.—For
 17 purposes of clause (i), the applicable per-
 18 centage shall be determined under the fol-
 19 lowing table:

“Calendar year:	Applicable Percentage:
1998	10
1999	20
2000	30
2001	40
2002 and thereafter	50.”

20 (b) RESTRICTION ON OVERALL STATE CAP.—Para-
 21 graph (3)(B) of section 143(l) of such Code (relating to

1 State veterans limit) is amended by adding at the end the
2 following flush sentence:

3 “But in no event shall the State veterans limit
4 exceed \$340,000,000 for any calendar year
5 after 1998.”

6 (c) CONFORMING AMENDMENT.—The matter preced-
7 ing paragraph (1) of section 143(*l*) of such Code is amend-
8 ed by striking “and (3)” and inserting “, (3), and (4)”.

9 (d) EFFECTIVE DATE.—The amendments made by
10 this section shall apply to bonds issued after December
11 31, 1997.

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