

108TH CONGRESS
1ST SESSION

S. 1305

To amend the Internal Revenue Code of 1986 to provide for the treatment of certain motor vehicle dealer transitional assistance.

IN THE SENATE OF THE UNITED STATES

JUNE 20, 2003

Mr. BINGAMAN (for himself, Mr. HATCH, Mr. BAUCUS, Mr. CONRAD, Mr. BREAUX, Ms. SNOWE, Mrs. LINCOLN, and Mr. SMITH) 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 provide for the treatment of certain motor vehicle dealer transitional assistance.

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. MOTOR VEHICLE DEALER TRANSITIONAL AS-**
4 **SISTANCE.**

5 (a) IN GENERAL.—For purposes of subtitle A of the

6 Internal Revenue Code of 1986, in the case of a taxpayer

7 who elects the application of this section and who was a

8 party to a motor vehicle sales and service agreement with

9 a motor vehicle manufacturer who announced in December

1 2000 that it would phase-out the motor vehicle brand to
2 which such agreement relates—

3 (1) amounts received by such taxpayer from
4 such manufacturer on account of the termination of
5 such agreement (hereafter in this section referred to
6 as “termination payment”) are considered to be re-
7 ceived for property used in the trade or business of
8 a motor vehicle retail sales and service dealership,
9 and

10 (2) to the extent such termination payment is
11 reinvested in property used in a motor vehicle retail
12 sales and service dealership located within the
13 United States, such property shall qualify as like-
14 kind replacement property to which section 1031 of
15 the Internal Revenue Code of 1986 shall apply with
16 the following modifications:

17 (A) Such section shall be applied without
18 regard to subparagraphs (A) and (B)(ii) of sub-
19 section (a)(3).

20 (B) The period described in section
21 1031(a)(3)(B) of such Code shall be applied by
22 substituting “2 years” for “180 days”.

23 (b) RULES FOR ELECTION.—

24 (1) FORM OF ELECTION.—The taxpayer shall
25 make an election under this section in such form

1 and manner as the Secretary of the Treasury may
2 prescribe and shall include in such election the
3 amount of the termination payment received, the
4 identification of the replacement property purchased,
5 and such other information as the Secretary may
6 prescribe.

7 (2) ELECTION ON AMENDED RETURN.—The
8 Secretary of the Treasury shall permit an election
9 under this section on an amended tax return for tax-
10 able years beginning before the date of the enact-
11 ment of this Act.

12 (c) STATUTE OF LIMITATIONS.—Notwithstanding the
13 provisions of any other law or rule of law, the statutory
14 period for the assessment for any deficiency attributable
15 to any termination payment gain shall be extended until
16 3 years after the date the Secretary of the Treasury is
17 notified by the taxpayer of the like-kind replacement prop-
18 erty or an intention not to replace.

19 (d) EFFECTIVE DATE.—This section shall apply to
20 amounts received after December 12, 2000, in taxable
21 years ending after such date.

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