

108TH CONGRESS  
1ST SESSION

# S. 1831

To amend the Internal Revenue Code of 1986 to expand income averaging to include the trade or business of fishing.

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IN THE SENATE OF THE UNITED STATES

NOVEMBER 6, 2003

Mr. SMITH (for himself and Mr. LAUTENBERG) introduced the following bill;  
which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to expand income averaging to include the trade or business of fishing.

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. INCOME AVERAGING FOR FARMERS AND FISH-**  
4                       **ERMEN NOT TO INCREASE ALTERNATIVE**  
5                       **MINIMUM TAX LIABILITY.**

6       (a) IN GENERAL.—Section 55(c) (defining regular  
7       tax) is amended by redesignating paragraph (2) as para-  
8       graph (3) and by inserting after paragraph (1) the fol-  
9       lowing new paragraph:

1           “(2) COORDINATION WITH INCOME AVERAGING  
 2           FOR FARMERS AND FISHERMEN.—Solely for pur-  
 3           poses of this section, section 1301 (relating to aver-  
 4           aging of farm and fishing income) shall not apply in  
 5           computing the regular tax.”.

6           (b) ALLOWING INCOME AVERAGING FOR FISHER-  
 7           MEN.—

8           (1) IN GENERAL.—Section 1301(a) is amended  
 9           by striking “farming business” and inserting “farm-  
 10          ing business or fishing business”.

11          (2) DEFINITION OF ELECTED FARM INCOME.—

12           (A) IN GENERAL.—Clause (i) of section  
 13          1301(b)(1)(A) is amended by inserting “or fish-  
 14          ing business” before the semicolon.

15           (B) CONFORMING AMENDMENT.—Subpara-  
 16          graph (B) of section 1301(b)(1) is amended by  
 17          inserting “or fishing business” after “farming  
 18          business” both places it occurs.

19          (3) DEFINITION OF FISHING BUSINESS.—Sec-  
 20          tion 1301(b) is amended by adding at the end the  
 21          following new paragraph:

22           “(4) FISHING BUSINESS.—The term ‘fishing  
 23          business’ means the conduct of commercial fishing  
 24          as defined in section 3 of the Magnuson-Stevens

1       Fishery Conservation and Management Act (16  
2       U.S.C. 1802).”.

3       (c) EFFECTIVE DATE.—The amendments made by  
4 this section shall apply to taxable years beginning after  
5 December 31, 2003.

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