

109TH CONGRESS
1ST SESSION

S. 157

To amend the Internal Revenue Code of 1986 to permit interest on Federally guaranteed water, wastewater, and essential community facilities loans to be tax exempt.

IN THE SENATE OF THE UNITED STATES

JANUARY 25, 2005

Mr. KOHL 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 permit interest on Federally guaranteed water, wastewater, and essential community facilities loans to be tax exempt.

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. TAX-EXEMPT INTEREST ON FEDERALLY GUAR-
4 ANTEED WATER, WASTEWATER, AND FEDER-
5 ALLY GUARANTEED ESSENTIAL COMMUNITY
6 FACILITIES LOANS.**

7 (a) IN GENERAL.—Section 149(b)(3)(A) of the Inter-
8 nal Revenue Code 1986 (relating to certain insurance pro-
9 grams) is amended by striking “or” at the end of clause

1 (ii), by striking period at the end of clause (iii) and insert-
2 ing “, or”, and by adding at the end the following new
3 clause:

4 “(iv) any guarantee by the Secretary
5 of Agriculture pursuant to section
6 306(a)(1) of the Consolidated Farm and
7 Rural Development Act (7 U.S.C.
8 1926(a)(1)) to finance water, wastewater,
9 and essential community facilities.”.

10 (b) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to bonds issued after the date of
12 the enactment of this Act.

