

111TH CONGRESS
1ST SESSION

S. 138

To amend the Internal Revenue Code of 1986 to repeal alternative minimum tax limitations on private activity bond interest, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 6, 2009

Mr. KERRY (for himself, Ms. SNOWE, and Mrs. LINCOLN) 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 repeal alternative minimum tax limitations on private activity bond interest, 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. REPEAL OF ALTERNATIVE MINIMUM TAX LIM-**
4 **TATIONS ON PRIVATE ACTIVITY BOND INTER-**
5 **EST.**

6 (a) IN GENERAL.—Section 57(a)(5) of the Internal
7 Revenue Code of 1986 is amended by adding at the end
8 the following new subparagraph:

9 “(D) TERMINATION.—This paragraph
10 shall not apply to bonds issued after the date

1 of the enactment of this subparagraph. The
 2 preceding sentence shall not apply to any re-
 3 funding bond unless such preceding sentence
 4 applied to the refunded bond (or in the case of
 5 a series of refundings, the original bond).”.

6 (b) NO ADJUSTMENT TO ADJUSTED CURRENT
 7 EARNINGS.—Clause (iii) of section 56(g)(4)(B) of the In-
 8 ternal Revenue Code of 1986 is amended to read as fol-
 9 lows:

10 “(iii) TAX EXEMPT INTEREST ON CER-
 11 TAIN BONDS.—Clause (i) shall not apply in
 12 the case of any interest on a bond to which
 13 section 57(a)(5)(D) applies.”.

14 (c) EFFECTIVE DATE.—The amendments made by
 15 this section shall apply to bonds issued after the date of
 16 the enactment of this Act.

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