

104<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# S. 368

To amend the Internal Revenue Code of 1986 to provide that installment sales of certain farmers not be treated as a preference item for purposes of the alternative minimum tax.

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## IN THE SENATE OF THE UNITED STATES

FEBRUARY 7 (legislative day, JANUARY 30), 1995

Mr. DORGAN 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 provide that installment sales of certain farmers not be treated as a preference item for purposes of the alternative minimum tax.

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. MINIMUM TAX NOT TO APPLY TO FARMERS'**  
4 **INSTALLMENT SALES.**

5 (a) IN GENERAL.—The last sentence of paragraph  
6 (6) of section 56(a) of the Internal Revenue Code of 1986  
7 (relating to treatment of installment sales in computing  
8 alternative minimum taxable income) is amended to read

1 as follows: “This paragraph shall not apply to any disposi-  
2 tion described in section 453(l)(2)(A) (relating to farm  
3 property) or with respect to which an election is in effect  
4 under section 453(l)(2)(B) (relating to timeshares and  
5 residential lots).”

6 (b) EFFECTIVE DATES.—

7 (1) IN GENERAL.—The amendment made by  
8 this section shall apply to taxable years beginning  
9 after December 31, 1987.

10 (2) SPECIAL RULE FOR 1987.—In the case of  
11 taxable years beginning in 1987, the last sentence of  
12 section 56(a)(6) of the Internal Revenue Code of  
13 1986 shall be applied by inserting “described in sec-  
14 tion 453(l)(2)(A) or” after “disposition”.

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