

105TH CONGRESS  
1ST SESSION

# H. R. 1205

To amend the Internal Revenue Code of 1986 to treat distributions from publicly traded partnerships as qualifying income of regulated investment companies.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 20, 1997

Mr. THOMAS (for himself and Mr. CRANE) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to treat distributions from publicly traded partnerships as qualifying income of regulated investment companies.

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. DISTRIBUTIONS FROM PUBLICLY TRADED**  
4 **PARTNERSHIPS TREATED AS QUALIFYING IN-**  
5 **COME OF REGULATED INVESTMENT COMPA-**  
6 **NIES.**

7 (a) IN GENERAL.—Paragraph (2) of section 851(b)  
8 of the Internal Revenue Code of 1986 (defining regulated  
9 investment company) is amended by inserting “distribu-

1 tions or other income derived from a publicly traded part-  
2 nership (as defined in section 7704(b),” after “dividends,  
3 interest,”.

4 (b) SOURCE FLOW-THROUGH RULE NOT TO  
5 APPLY.—The next to the last sentence of section 851(b)  
6 of such Code is amended by inserting “(other than a pub-  
7 licly traded partnership (as defined in section 7704(b)))”  
8 after “derived from a partnership”.

9 (c) EFFECTIVE DATE.—The amendments made by  
10 this section shall apply to taxable years beginning after  
11 the date of the enactment of this Act.

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