

106TH CONGRESS  
1ST SESSION

# H. R. 1410

To amend the Internal Revenue Code of 1986 to exempt small issues from the restrictions on the deduction by financial institutions for interest.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 14, 1999

Mr. ENGLISH 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 exempt small issues from the restrictions on the deduction by financial institutions for interest.

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. QUALIFIED SMALL ISSUE BONDS EXEMPT**  
4 **FROM RESTRICTIONS ON DEDUCTION BY FI-**  
5 **NANCIAL INSTITUTIONS FOR INTEREST.**

6 (a) IN GENERAL.—Clause (ii) of section  
7 265(b)(3)(B) of the Internal Revenue Code of 1986 (de-  
8 fining qualified tax-exempt obligations) is amended by  
9 striking “or” at the end of subclause (I), by redesignating

1 subclause (II) as subclause (III), and by inserting after  
2 subclause (I) the following new subclause:

3                                   “(II) any qualified small issue  
4                                   bond (as defined in section 144(a)),  
5                                   or”.

6           (b) EFFECTIVE DATE.—The amendment made by  
7 subsection (a) shall apply to taxable years beginning after  
8 the date of enactment of this Act.

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