

107TH CONGRESS  
1ST SESSION

# H. R. 2618

To clarify the accounting treatment for Federal income tax purposes of deposits and similar amounts received by a tour operator for a tour arranged by such operator.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 24, 2001

Mr. SHAW introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To clarify the accounting treatment for Federal income tax purposes of deposits and similar amounts received by a tour operator for a tour arranged by such operator.

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. METHOD OF ACCOUNTING FOR DEPOSITS RE-**  
4 **CEIVED BY ACCRUAL BASIS TOUR OPERA-**  
5 **TORS.**

6 In the case of a tour operator using an accrual meth-  
7 od of accounting, amounts received from or on behalf of  
8 passengers in advance of the departure of a tour arranged  
9 by such operator—

1           (1) shall be treated as properly accounted for  
2           under the Internal Revenue Code of 1986 if they are  
3           accounted for under a method permitted by Section  
4           3 of Revenue Procedure 71-21, and

5           (2) for purposes of Revenue Procedure 71-21,  
6           shall be deemed earned as of the date the tour de-  
7           parts.

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