

107TH CONGRESS
1ST SESSION

S. 1496

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.

IN THE SENATE OF THE UNITED STATES

OCTOBER 3, 2001

Mr. GRAHAM introduced the following bill; which was read twice and referred to the Committee on Finance

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. SHORT TITLE.**

4 This Act may be cited as the “Tour Operators Up-
5 Front-Deposit Relief (TOUR) Act”.

1 **SEC. 2. METHOD OF ACCOUNTING FOR DEPOSITS RE-**
2 **CEIVED BY ACCRUAL BASIS TOUR OPERA-**
3 **TORS.**

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

8 (1) shall be treated as properly accounted for
9 under the Internal Revenue Code of 1986 if they are
10 accounted for under a method permitted by section
11 3 of Revenue Procedure 71–21, and

12 (2) for purposes of Revenue Procedure 71–21,
13 shall be deemed earned as of the date the tour de-
14 parts.

○