

107TH CONGRESS  
2D SESSION

# S. 2726

To treat certain motor vehicle dealer transitional assistance as an involuntary conversion, and for other purposes.

---

## IN THE SENATE OF THE UNITED STATES

JULY 12 (legislative day, JULY 10), 2002

Mr. BINGAMAN (for himself, Mr. BREAU, Mr. CONRAD, and Mrs. LINCOLN) introduced the following bill; which was read twice and referred to the Committee on Finance

---

## A BILL

To treat certain motor vehicle dealer transitional assistance as an involuntary conversion, and for other purposes.

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. MOTOR VEHICLE DEALER TRANSITIONAL AS-**  
4 **SISTANCE TREATED AS AN INVOLUNTARY**  
5 **CONVERSION.**

6 (a) IN GENERAL.—For purposes of subtitle A of the  
7 Internal Revenue Code of 1986, in the case of a taxpayer  
8 who was a party to a motor vehicle sales and service agree-  
9 ment with a motor vehicle manufacturer who announced

1 in December 2000 that it would phase-out the motor vehi-  
2 cle brand to which such agreement relates—

3 (1) amounts received by such taxpayer from  
4 such manufacturer on account of the termination of  
5 such agreement shall be treated as received in an in-  
6 voluntary conversion to which section 1033 of such  
7 Code applies, and

8 (2) the period described in section  
9 1033(a)(2)(B) of such Code shall begin on Decem-  
10 ber 12, 2000.

11 (b) CHARACTER OF CONVERTED PROPERTY.—In ap-  
12 plying section 1033 of such Code for purposes of this sec-  
13 tion, the property involuntarily converted shall be treated  
14 as being property used in the trade or business of a motor  
15 vehicle retail sales and service dealership.

16 (c) EFFECTIVE DATE.—This section shall apply to  
17 amounts received after December 12, 2000, in taxable  
18 years ending after such date.

○