

108TH CONGRESS
2D SESSION

H. R. 3776

To amend the Internal Revenue Code of 1986 to provide capital gains tax treatment for certain self-created musical works.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 4, 2004

Mr. LEWIS of Kentucky (for himself, Mrs. BLACKBURN, Mr. TANNER, Mr. FOLEY, Mr. MCINNIS, Mrs. BONO, Mr. CONYERS, Mr. FORD, Mr. JENKINS, Mr. DUNCAN, Mr. WAMP, Mr. COOPER, Mr. GORDON, Mr. DAVIS of Tennessee, Mr. ROGERS of Kentucky, and Mr. WHITFIELD) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to provide capital gains tax treatment for certain self-created musical works.

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 “Songwriters Capital
5 Gains Tax Equity Act”.

1 **SEC. 2. CAPITAL GAINS TREATMENT FOR CERTAIN SELF-**
2 **CREATED MUSICAL WORKS.**

3 (a) **IN GENERAL.**—Subsection (b) of section 1221 of
4 the Internal Revenue Code of 1986 (relating to capital
5 asset defined) is amended by redesignating paragraph (3)
6 as paragraph (4) and by inserting after paragraph (2) the
7 following new paragraph:

8 “(3) **SALE OR EXCHANGE OF SELF-CREATED**
9 **MUSICAL WORKS.**—At the election of the taxpayer,
10 paragraphs (1) and (3) of subsection (a) shall not
11 apply with respect to any sale or exchange of musi-
12 cal compositions or copyrights in musical works by
13 a taxpayer described in subsection (a)(3).”.

14 (b) **LIMITATION ON CHARITABLE CONTRIBUTIONS.**—
15 Subparagraph (A) of section 170(e)(1) of the Internal
16 Revenue Code of 1986 is amended by inserting “(deter-
17 mined without regard to section 1221(b)(3))” after “long-
18 term capital gain”.

19 (c) **EFFECTIVE DATE.**—The amendments made by
20 this section shall apply to taxable years beginning after
21 the date of the enactment of this Act.

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