

108TH CONGRESS  
2D SESSION

# S. 2106

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

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IN THE SENATE OF THE UNITED STATES

FEBRUARY 24, 2004

Mr. BUNNING (for himself, Mr. MILLER, Mr. ALEXANDER, and Mr. HATCH) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to provide capital gains 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”.

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

8 (a) IN GENERAL.—Subsection (b) of section 1221 of  
9 the Internal Revenue Code of 1986 (relating to capital

1 asset defined) is amended by redesignating paragraph (3)  
2 as paragraph (4) and by inserting after paragraph (2) the  
3 following new paragraph:

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

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

15          (c) EFFECTIVE DATE.—The amendments made by  
16 this section shall apply to taxable years beginning after  
17 the date of the enactment of this Act.

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