

Public Law 102-227  
102d Congress

An Act

Dec. 11, 1991  
[H.R. 3909]

To amend the Internal Revenue Code of 1986 to extend certain expiring provisions, and for other purposes.

Tax Extension  
Act of 1991.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

26 USC 1 note.

SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE.

(a) **SHORT TITLE.**—This Act may be cited as the “Tax Extension Act of 1991”.

(b) **AMENDMENT OF 1986 CODE.**—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

**TITLE I—6-MONTH EXTENSION OF  
CERTAIN EXPIRING TAX PROVISIONS**

SEC. 101. ALLOCATION OF RESEARCH AND EXPERIMENTAL EXPENDITURES.

(a) **EXTENSION.**—Paragraph (5) of section 864(f) (relating to allocation of research and experimental expenditures) is amended to read as follows:

“(5) **YEARS TO WHICH RULE APPLIES.**—

“(A) **IN GENERAL.**—This subsection shall apply to the taxpayer’s first 3 taxable years beginning after August 1, 1989, and on or before August 1, 1992.

“(B) **REDUCTION.**—Notwithstanding subparagraph (A), in the case of the taxpayer’s first taxable year beginning after August 1, 1991, this subsection shall only apply to qualified research and experimental expenditures incurred during the first 6 months of such taxable year.”

26 USC 864 note.

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall apply to taxable years beginning after August 1, 1989.

SEC. 102. RESEARCH CREDIT.

(a) **EXTENSION.**—Subsection (h) of section 41 (relating to credit for increasing research activities) is amended—

(1) by striking “December 31, 1991” each place it appears and inserting “June 30, 1992”, and

(2) by striking “January 1, 1992” each place it appears and inserting “July 1, 1992”.

(b) **CONFORMING AMENDMENT.**—Subparagraph (D) of section 28(b)(1) is amended by striking “December 31, 1991” and inserting “June 30, 1992”.

26 USC 28 note.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years ending after December 31, 1991.

**SEC. 103. EMPLOYER-PROVIDED EDUCATIONAL ASSISTANCE.****(a) EXTENSION.—**

(1) **IN GENERAL.**—Subsection (d) of section 127 (relating to educational assistance programs) is amended by striking “December 31, 1991” and inserting “June 30, 1992”.

(2) **SPECIAL RULE.**—In the case of any taxable year beginning in 1992, only amounts paid before July 1, 1992, by the employer for educational assistance for the employee shall be taken into account in determining the amount excluded under section 127 of the Internal Revenue Code of 1986 with respect to such employee for such taxable year. 26 USC 127 note.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to taxable years beginning after December 31, 1991. 26 USC 127 note.

**SEC. 104. EMPLOYER-PROVIDED GROUP LEGAL SERVICES PLANS.****(a) EXTENSION.—**

(1) **IN GENERAL.**—Subsection (e) of section 120 (relating to amounts received under qualified group legal services plans) is amended by striking “December 31, 1991” and inserting “June 30, 1992”.

(2) **SPECIAL RULE.**—In the case of any taxable year beginning in 1992, only amounts paid before July 1, 1992, by the employer for coverage for the employee, his spouse, or his dependents, under a qualified group legal services plan for periods before July 1, 1992, shall be taken into account in determining the amount excluded under section 120 of the Internal Revenue Code of 1986 with respect to such employee for such taxable year.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to taxable years beginning after December 31, 1991. 26 USC 120 note.

**SEC. 105. TARGETED JOBS CREDIT.**

(a) **IN GENERAL.**—Paragraph (4) of section 51(c) (relating to termination) is amended by striking “December 31, 1991” and inserting “June 30, 1992”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to individuals who begin work for the employer after December 31, 1991. 26 USC 51 note.

**SEC. 106. ENERGY INVESTMENT CREDIT FOR SOLAR AND GEOTHERMAL PROPERTY.**

Subparagraph (B) of section 48(a)(2) (relating to energy percentage) is amended by striking “December 31, 1991” and inserting “June 30, 1992”.

**SEC. 107. LOW-INCOME HOUSING CREDIT.****(a) EXTENSION.—**

(1) Paragraph (1) of section 42(o) is amended—

(A) by striking “, for any calendar year after 1991”,

(B) by inserting before the comma at the end of subparagraph (A) “to any amount allocated after June 30, 1992”, and

(C) by striking “1991” in subparagraph (B) and inserting “June 30, 1992”.

(2) Paragraph (2) of section 42(o) is amended—

(A) by striking “1992” each place it appears and inserting “July 1, 1992”,

(B) by striking "December 31, 1991" in subparagraph (B) and inserting "June 30, 1992",

(C) by striking "December 31, 1993" in subparagraph (B) and inserting "June 30, 1994", and

(D) by striking "January 1, 1994" in subparagraph (C) and inserting "July 1, 1994".

26 USC 42 note. (b) **EFFECTIVE DATE.**—The amendments made by this section shall apply to calendar years after 1991.

#### SEC. 108. QUALIFIED MORTGAGE BONDS.

(a) **IN GENERAL.**—Subparagraph (B) of section 143(a)(1) (defining qualified mortgage bond) is amended by striking "December 31, 1991" each place it appears and inserting "June 30, 1992".

(b) **MORTGAGE CREDIT CERTIFICATES.**—Subsection (h) of section 25 (relating to interest on certain home mortgages) is amended by striking "December 31, 1991" and inserting "June 30, 1992".

(c) **EFFECTIVE DATES.**—

26 USC 143 note. (1) **BONDS.**—The amendment made by subsection (a) shall apply to bonds issued after December 31, 1991.

26 USC 25 note. (2) **CERTIFICATES.**—The amendment made by subsection (b) shall apply to elections for periods after December 31, 1991.

#### SEC. 109. QUALIFIED SMALL ISSUE BONDS.

(a) **IN GENERAL.**—Subparagraph (B) of section 144(a)(12) (relating to termination dates) is amended by striking "December 31, 1991" and inserting "June 30, 1992".

26 USC 144 note. (b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to bonds issued after December 31, 1991.

#### SEC. 110. HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS.

(a) **EXTENSION.**—

(1) **IN GENERAL.**—Paragraph (6) of section 162(l) (relating to special rules for health insurance costs of self-employed individuals) is amended by striking "December 31, 1991" and inserting "June 30, 1992".

26 USC 162 note. (2) **SPECIAL RULE.**—In the case of any taxable year beginning in 1992—

(A) only amounts paid before July 1, 1992, by the individual for insurance coverage for periods before July 1, 1992, shall be taken into account in determining the amount deductible under section 162(l) of the Internal Revenue Code of 1986 with respect to such individual for such taxable year, and

(B) for purposes of subparagraph (A) of section 162(l)(2) of such Code, the amount of the earned income described in such subparagraph taken into account for such taxable year shall be the amount which bears the same ratio to the total amount of such earned income as the number of months in such taxable year ending before July 1, 1992, bears to the number of months in such taxable year.

26 USC 162 note. (b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to taxable years beginning after December 31, 1991.

#### SEC. 111. EXPENSES FOR DRUGS FOR RARE CONDITIONS.

(a) **IN GENERAL.**—Subsection (e) of section 28 (relating to clinical testing expenses for certain drugs for rare diseases or conditions) is

amended by striking “December 31, 1991” and inserting “June 30, 1992”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to taxable years ending after December 31, 1991. 26 USC 28 note.

**SEC. 112. CHARITABLE CONTRIBUTIONS OF APPRECIATED PROPERTY.**

Subparagraph (B) of section 57(a)(6) (relating to appreciated property charitable deduction) is amended by adding at the end thereof the following new sentence: “In the case of a contribution made before July 1, 1992, in a taxable year beginning in 1992, such term shall not include any tangible personal property.”

## TITLE II—MODIFICATION TO CORPORATE ESTIMATED TAX PROVISIONS

**SEC. 201. TEMPORARY INCREASE IN AMOUNT OF CORPORATE ESTIMATED TAX PAYMENTS.**

(a) **GENERAL RULE.**—Subsection (d) of section 6655 (relating to amount of required installment) is amended by adding at the end thereof the following new paragraph:

“(3) **TEMPORARY INCREASE IN AMOUNT OF INSTALLMENT BASED ON CURRENT YEAR TAX.**—In the case of any taxable year beginning after 1991 and before 1997—

“(A) Paragraph (1)(B)(i) and subsection (e)(3)(A)(i) shall be applied by substituting for ‘90 percent’ each place it appears the current year percentage determined under the following table:

In the case of a taxable year beginning in:	The current year percentage is:
1992.....	93
1993 or 1994.....	94
1995 or 1996.....	95.

“(B) Appropriate adjustments to the table contained in subsection (e)(2)(B)(ii) shall be made to reflect the provisions of subparagraph (A).”

(b) **CONFORMING AMENDMENT.**—Paragraph (1) of section 6655(e) is amended by striking “modified by subsection (d)(2)” and inserting “modified by paragraphs (2) and (3) of subsection (d)”.

26 USC 6655  
note.

(c) **EFFECTIVE DATE.**—The amendments made by subsection (a) shall apply to taxable years beginning after December 31, 1991.

Approved December 11, 1991.

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**LEGISLATIVE HISTORY—H.R. 3909 (S. 2042):**

HOUSE REPORTS: No. 102-377 (Comm. on Ways and Means).

CONGRESSIONAL RECORD, Vol. 137 (1991):

Nov. 26, considered and passed House.

Nov. 27, considered and passed Senate.