

103^D CONGRESS
2^D SESSION

H. R. 4876

To amend the Internal Revenue Code of 1986 to increase the exclusion for gain from certain small business stock to 100 percent for stock held for more than 10 years.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 1, 1994

Mr. MCHALE (for himself and Mr. MCINNIS) 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 increase the exclusion for gain from certain small business stock to 100 percent for stock held for more than 10 years.

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 “Capital Gains Exclu-
5 sion Expansion Act of 1994”.

1 **SEC. 2. 100 PERCENT EXCLUSION FOR GAIN FROM CERTAIN**
2 **SMALL BUSINESS STOCK HELD FOR MORE**
3 **THAN 10 YEARS.**

4 (a) **IN GENERAL.**—Subsection (a) of section 1202 of
5 the Internal Revenue Code of 1986 (relating to 50-percent
6 exclusion for gain from certain small business stock) is
7 amended by adding at the end the following: “In the case
8 of qualified small business stock held for more than 10
9 years, the preceding sentence shall be applied by substitut-
10 ing ‘100 percent’ for ‘50 percent’. Subsections (g)(2) and
11 (h)(1) shall be applied by substituting ‘10 years’ for ‘5
12 years’ for purposes of determining whether stock is de-
13 scribed in the preceding sentence.”

14 (b) **EFFECTIVE DATE.**—The amendment made by
15 subsection (a) shall apply to stock issued after August 10,
16 1993.

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