

103<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 5259

To amend the Internal Revenue Code of 1986 to exclude long-term capital gains from gross income.

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IN THE HOUSE OF REPRESENTATIVES

OCTOBER 7, 1994

Mr. DREIER introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to exclude long-term capital gains from gross income.

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. EXCLUSION FROM GROSS INCOME FOR LONG-**

4 **TERM CAPITAL GAINS.**

5 (a) IN GENERAL.—Part III of subchapter B of chap-  
6 ter 1 of the Internal Revenue Code of 1986 (relating to  
7 items specifically excluded from gross income) is amended  
8 by redesignating section 137 as section 138 and by insert-  
9 ing after section 136 the following new section:

1 **“SEC. 137. 100 PERCENT EXCLUSION FOR LONG-TERM CAP-**  
2 **ITAL GAIN.**

3 “Gross income shall not include 100 percent of any  
4 long-term capital gain recognized on the sale or exchange  
5 of any property.”

6 (b) CLERICAL AMENDMENT.—The table of sections  
7 for such part III is amended by striking the last item and  
8 inserting the following new items:

“Sec. 137. 100 percent exclusion for long-term capital gain.  
“Sec. 138. Cross references to other Acts.”

9 (c) EFFECTIVE DATE.—The amendments made by  
10 this section shall apply to sales and exchanges occurring  
11 after December 31, 1994, in taxable years ending after  
12 such date.

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