

107TH CONGRESS
2D SESSION

H. R. 5723

To amend the Internal Revenue Code of 1986 to exempt certain student loan financing businesses from treatment as personal holding companies.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 13, 2002

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 exempt certain student loan financing businesses from treatment as personal holding companies.

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. CERTAIN STUDENT LOAN FINANCING BUSI-**
4 **NESSES NOT TREATED AS PERSONAL HOLD-**
5 **ING COMPANIES.**

6 (a) IN GENERAL.—Clause (i) of section 542(d)(1)(B)
7 of the Internal Revenue Code of 1986 (defining lending
8 or finance business) is amended by inserting after sub-
9 clause (II) the following new subclause:

1 “(III) in the case of loans, the
2 loans were made for the purpose of
3 paying the costs of attendance at any
4 eligible educational institution (as de-
5 fined in section 221(d)(2)) or for the
6 purpose of consolidating such loans,
7 such loans (by their terms) are re-
8 quired to be repaid in not more than
9 31 years, and more than half of the
10 number of such loans which are held
11 during the taxable year are serviced
12 by the taxpayer or by a member of an
13 affiliated group (as defined in section
14 1504) which includes the taxpayer,
15 or”.

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

○