

107TH CONGRESS
2D SESSION

S. 2022

To amend the Internal Revenue Code of 1986 to modify the unrelated business income limitation on investment in certain debt-financed properties.

IN THE SENATE OF THE UNITED STATES

MARCH 15, 2002

Mr. BOND (for himself and Mr. GRASSLEY) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to modify the unrelated business income limitation on investment in certain debt-financed properties.

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 “Small Business Invest-
5 ment Company Capital Access Act of 2002”.

1 **SEC. 2. MODIFICATION OF UNRELATED BUSINESS INCOME**
 2 **LIMITATION ON INVESTMENT IN CERTAIN**
 3 **DEBT-FINANCED PROPERTIES.**

4 (a) IN GENERAL.—Section 514(c)(6) of the Internal
 5 Revenue Code of 1986 (relating to acquisition indebted-
 6 ness) is amended—

7 (1) by striking “include an obligation” and in-
 8 serting “include—

9 “(A) an obligation”,

10 (2) by striking the period at the end and insert-
 11 ing “, or”, and

12 (3) by adding at the end the following:

13 “(B) indebtedness incurred by a small
 14 business investment company licensed under the
 15 Small Business Investment Act of 1958 which
 16 is evidenced by a debenture—

17 “(i) issued by such company under
 18 section 303(a) of such Act, or

19 “(ii) held or guaranteed by the Small
 20 Business Administration.”.

21 (b) EFFECTIVE DATE.—The amendments made by
 22 subsection (a) shall apply to acquisitions made on or after
 23 the date of the enactment of this Act.

○