

108TH CONGRESS
1ST SESSION

H. R. 870

To amend the Internal Revenue Code of 1986 to provide for the treatment of certain motor vehicle dealer transitional assistance.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 25, 2003

Mr. CAMP (for himself, Mr. LEVIN, Mr. McCRERY, Mr. NEAL of Massachusetts, Mr. ROGERS of Michigan, Mr. BECERRA, Mr. ENGLISH, Mr. DOGGETT, Mr. LEWIS of Kentucky, Mr. PALLONE, and Mr. HAYWORTH) 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 provide for the treatment of certain motor vehicle dealer transitional assistance.

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. MOTOR VEHICLE DEALER TRANSITIONAL AS-**
4 **SISTANCE.**

5 (a) IN GENERAL.—For purposes of subtitle A of the
6 Internal Revenue Code of 1986, in the case of a taxpayer
7 who elects the application of this section and who was a
8 party to a motor vehicle sales and service agreement with

1 a motor vehicle manufacturer who announced in December
2 2000 that it would phase-out the motor vehicle brand to
3 which such agreement relates—

4 (1) amounts received by such taxpayer from
5 such manufacturer on account of the termination of
6 such agreement (hereafter in this section referred to
7 as “termination payment”) are considered to be re-
8 ceived for property used in the trade or business of
9 a motor vehicle retail sales and service dealership,
10 and

11 (2) to the extent such termination payment is
12 reinvested in property used in a motor vehicle retail
13 sales and service dealership located within the
14 United States, such property shall qualify as like-
15 kind replacement property to which section 1031 of
16 the Internal Revenue Code of 1986 shall apply with
17 the following modifications:

18 (A) Such section shall be applied without
19 regard to subparagraphs (A) and (B)(ii) of sub-
20 section (a)(3).

21 (B) The period described in section
22 1031(a)(3)(B) of such Code shall be applied by
23 substituting “2 years” for “180 days”.

24 (b) RULES FOR ELECTION.—

1 (1) FORM OF ELECTION.—The taxpayer shall
2 make an election under this section in such form
3 and manner as the Secretary of the Treasury may
4 prescribe and shall include in such election the
5 amount of the termination payment received, the
6 identification of the replacement property purchased,
7 and such other information as the Secretary may
8 prescribe.

9 (2) ELECTION ON AMENDED RETURN.—The
10 Secretary of the Treasury shall permit an election
11 under this section on an amended tax return for tax-
12 able years beginning before the date of the enact-
13 ment of this Act.

14 (c) STATUTE OF LIMITATIONS.—Notwithstanding the
15 provisions of any other law or rule of law, the statutory
16 period for the assessment for any deficiency attributable
17 to any termination payment gain shall be extended until
18 3 years after the date the Secretary of the Treasury is
19 notified by the taxpayer of the like-kind replacement prop-
20 erty or an intention not to replace.

21 (d) EFFECTIVE DATE.—This section shall apply to
22 amounts received after December 12, 2000, in taxable
23 years ending after such date.

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