

110TH CONGRESS  
1ST SESSION

# H. R. 1959

To amend the Internal Revenue Code of 1986 to permit interest on federally guaranteed water, wastewater, and essential community facilities loans to be tax exempt.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 19, 2007

Mr. LEWIS of Kentucky 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 permit interest on federally guaranteed water, wastewater, and essential community facilities loans to be tax exempt.

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. TAX-EXEMPT INTEREST ON FEDERALLY GUAR-**  
4 **ANTEED WATER, WASTEWATER, AND FEDER-**  
5 **ALLY GUARANTEED ESSENTIAL COMMUNITY**  
6 **FACILITIES LOANS.**

7 (a) IN GENERAL.—Section 149(b)(3)(A) of the Inter-  
8 nal Revenue Code 1986 (relating to certain insurance pro-  
9 grams) is amended by striking “or” at the end of clause

1 (ii), by striking period at the end of clause (iii) and insert-  
2 ing “, or”, and by adding at the end the following new  
3 clause:

4                   “(iv) any guarantee by the Secretary  
5                   of Agriculture pursuant to section  
6                   306(a)(1) of the Consolidated Farm and  
7                   Rural Development Act (7 U.S.C.  
8                   1926(a)(1)) to finance water, wastewater,  
9                   and essential community facilities.”.

10       (b) EFFECTIVE DATE.—The amendments made by  
11 this section shall apply to bonds issued after the date of  
12 the enactment of this Act.

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