

112TH CONGRESS
1ST SESSION

H. R. 278

To amend the Internal Revenue Code of 1986 to provide for tax exempt qualified small issue bonds to finance agricultural processing property.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 12, 2011

Mr. FORTENBERRY 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 tax exempt qualified small issue bonds to finance agricultural processing property.

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. QUALIFIED SMALL ISSUE BONDS FOR AGRICUL-**
4 **TURAL PROCESSING PROPERTY.**

5 (a) IN GENERAL.—Subparagraph (B) of section
6 144(a)(12) of the Internal Revenue Code of 1986 is
7 amended by striking “or” at the end of clause (i), by re-
8 designating clause (ii) as clause (iii), and by inserting
9 after clause (i) the following new clause:

1 “(ii) any agricultural processing prop-
2 erty, or”.

3 (b) AGRICULTURAL PROCESSING PROPERTY.—Para-
4 graph (12) of section 144(a) of such Code is amended by
5 adding at the end the following new subparagraph:

6 “(D) AGRICULTURAL PROCESSING PROP-
7 ERTY.—

8 “(i) IN GENERAL.—For purposes of
9 this paragraph, the term ‘agricultural
10 processing property’ means any depreciable
11 property or land, which is used primarily
12 for the processing of agricultural products.

13 “(ii) PROCESSING.—For purposes of
14 this subparagraph, the term ‘processing’
15 includes pasteurizing, slaughtering, wash-
16 ing, peeling, cutting, freezing, preserving,
17 and packaging. Such term does not include
18 planting, raising, harvesting, gathering,
19 breeding, feeding, or milking.

20 “(iii) AGRICULTURAL PRODUCTS.—
21 For purposes of this subparagraph, the
22 term ‘agricultural products’ includes plant
23 and dairy products, meats, fish, and poul-
24 try.”.

1 (c) EXCEPTION TO LIMITATION ON ACQUISITION OF
2 DEPRECIABLE FARM PROPERTY.—Subparagraph (B) of
3 section 144(a)(11) of such Code is amended by inserting
4 “(other than agricultural processing property, as defined
5 in paragraph (12)(D))” after “means property”.

6 (d) EXCEPTION TO PROHIBITION ON ACQUISITION OF
7 LAND FOR FARMING PURPOSES.—Subsection (c) of sec-
8 tion 147 of such Code is amended by adding at the end
9 the following new paragraph:

10 “(4) EXCEPTION FOR AGRICULTURAL PROC-
11 ESSING PROPERTY.—Paragraph (1)(B) shall not
12 apply with respect to any agricultural processing
13 property (as defined in section 144(a)(12)(D)).”.

14 (e) EXCEPTION TO PROHIBITION ON ACQUISITION OF
15 EXISTING PROPERTY.—Subsection (d) of section 147 of
16 such Code is amended by adding at the end the following
17 new paragraph:

18 “(5) EXCEPTION FOR AGRICULTURAL PROC-
19 ESSING PROPERTY.—Paragraph (1) shall not apply
20 with respect to any agricultural processing property
21 (as defined in section 144(a)(12)(D)).”.

22 (f) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to bonds issued after the date of
24 the enactment of this Act.

○