

112TH CONGRESS
2D SESSION

S. 3594

To amend the Internal Revenue Code of 1986 to increase the alternative tax liability limitation for small property and casualty insurance companies.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 20, 2012

Mr. HARKIN (for himself, Mr. GRASSLEY, Mr. ROCKEFELLER, and Ms. KLOBUCHAR) 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 increase the alternative tax liability limitation for small property and casualty insurance 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. INCREASE IN LIMITATION FOR ALTERNATIVE**
4 **TAX LIABILITY FOR SMALL PROPERTY AND**
5 **CASUALTY INSURANCE COMPANIES.**

6 (a) IN GENERAL.—Clause (i) of section 831(b)(2)(A)
7 of the Internal Revenue Code of 1986 is amended to read
8 as follows:

1 “(i) the net written premiums (or, if
 2 greater, direct written premiums) for the
 3 taxable year do not exceed \$2,025,000,
 4 and”.

5 (b) INFLATION ADJUSTMENT.—Paragraph (2) of sec-
 6 tion 831(b) of such Code is amended by adding at the
 7 end the following new subparagraph:

8 “(C) INFLATION ADJUSTMENT.—In the
 9 case of any taxable year beginning in a calendar
 10 year after 2012, the dollar amount set forth in
 11 subparagraph (A) shall be increased by an
 12 amount equal to—

13 “(i) such dollar amount, multiplied by

14 “(ii) the cost-of-living adjustment de-
 15 termined under section 1(f)(3) for such
 16 calendar year by substituting ‘calendar
 17 year 2011’ for ‘calendar year 1992’ in sub-
 18 paragraph (B) thereof.

19 If the amount as adjusted under the preceding
 20 sentence is not a multiple of \$1,000, such
 21 amount shall be rounded to the next lowest
 22 multiple of \$1,000.”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 the date of the enactment of this Act.

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