II

115TH CONGRESS
1ST SESSION

S. 671

To amend the Internal Revenue Code of 1986 to exclude from gross income certain amounts realized on the disposition of property raised or produced by a student farmer, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 21, 2017

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

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A BILL

To amend the Internal Revenue Code of 1986 to exclude from gross income certain amounts realized on the disposition of property raised or produced by a student farmer, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Agriculture Students EARN Act'' or the ''Agriculture Students Encourage, Acknowledge, Reward, Nurture Act''.

SEC. 2. EXCLUSION OF CERTAIN GAIN BY STUDENT FARMERS FROM GROSS INCOME.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after section 139F the following new section:

"SEC. 139G. GAIN FROM PROPERTY PRODUCED OR RAISED BY A STUDENT FARMER.

"(a) IN GENERAL.—In the case of a student farmer, gross income shall not include so much of the gain from qualified dispositions during the taxable year as does not exceed $5,000.

"(b) DEFINITIONS.—For purposes of this section—

"(1) STUDENT FARMER.—The term 'student farmer' means an individual who has not attained age 19 and who is enrolled in—

"(A) a program established by the National FFA Organization,

"(B) a 4–H Club or other program established by 4–H, or

"(C) any student agriculture program similar in nature to a club or program described in subparagraph (A) or (B) which is under the direction or guidance of an agricultural educator, advisor, or club leader.

"(2) QUALIFIED DISPOSITION.—

"(A) IN GENERAL.—The term 'qualified disposition' means a sale or exchange of qualified property by or on behalf of a student farmer (determined as of the date of the sale or exchange) which occurs—

"(i) during an activity of a type described in paragraph (2)(B) or (3)(B) of section 513(d), or

"(ii) under the supervision of a program described in subparagraph (A), (B), or (C) of paragraph (1).

"(B) QUALIFIED PROPERTY.—For purposes of subparagraph (A), the term 'qualified property' means personal property, including livestock, crops, and agricultural mechanics or shop projects, produced or raised—

"(i) by the student farmer by or on behalf of whom the sale or exchange is made, and

"(ii) under the supervision of a program described in subparagraph (A), (B), or (C) of paragraph (1).".

(b) CONFORMING AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 139F the following new item:

"Sec. 139G. Gain from property produced or raised by a student farmer.".

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

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