

117TH CONGRESS
1ST SESSION

H. R. 3420

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 agriculturist, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 20, 2021

Mr. McCAUL (for himself, Mr. CUELLAR, Mr. CRAWFORD, Mrs. AXNE, Mr. MANN, and Mr. DAVID SCOTT of Georgia) 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 exclude from gross income certain amounts realized on the disposition of property raised or produced by a student agriculturist, and for other purposes.

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. SHORT TITLE.**

4 This Act may be cited as the “Student Agriculture
5 Protection Act of 2021”.

1 **SEC. 2. EXCLUSION OF CERTAIN GAIN BY STUDENT AGRICULTURISTS FROM GROSS INCOME.**
2

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

5 **“SEC. 139I. GAIN FROM PROPERTY PRODUCED OR RAISED**
6 **BY A STUDENT AGRICULTURIST.**
7

8 “(a) IN GENERAL.—In the case of a student agriculturist, gross income shall not include so much of the
9 gain from qualified dispositions during the taxable year
10 as does not exceed \$5,000.
11

12 “(b) DEFINITIONS.—For purposes of this section—

13 “(1) STUDENT AGRICULTURIST.—The term
14 ‘student agriculturist’ means an individual who has
15 not attained age 22 and who is enrolled in—

16 “(A) an FFA chapter or a program established by the National FFA Organization,
17

18 “(B) a 4-H Club or other program established by 4-H, or
19

20 “(C) any student agriculture program
21 similar in nature to a club or program described in subparagraph (A) or (B) which is
22 under the direction or guidance of an agricultural educator, advisor, or club leader.
23
24

25 “(2) QUALIFIED DISPOSITION.—

1 “(A) IN GENERAL.—The term ‘qualified
2 disposition’ means a sale or exchange of quali-
3 fied property by or on behalf of a student agri-
4 culturist (determined as of the date of the sale
5 or exchange) which occurs—

6 “(i) during an activity of a type de-
7 scribed in paragraph (2)(B) or (3)(B) of
8 section 513(d), or

9 “(ii) under the supervision of a pro-
10 gram described in subparagraph (A), (B),
11 or (C) of paragraph (1).

12 “(B) QUALIFIED PROPERTY.—For pur-
13 poses of subparagraph (A), the term ‘qualified
14 property’ means personal property, including
15 livestock, crops, and agricultural mechanics or
16 shop projects, produced or raised—

17 “(i) by the student agriculturist by or
18 on behalf of whom the sale or exchange is
19 made, and

20 “(ii) under the supervision of a pro-
21 gram described in subparagraph (A), (B),
22 or (C) of paragraph (1).”.

23 (b) CONFORMING AMENDMENT.—The table of sec-
24 tions for part III of subchapter B of chapter 1 of the In-
25 ternal Revenue Code of 1986 is amended by inserting

1 after the item relating to section 139H the following new
2 item:

“Sec. 139I. Gain from property produced or raised by a student agriculturist.”.

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

○