

117TH CONGRESS
1ST SESSION

S. 2202

To amend the Internal Revenue Code of 1986 to exclude from gross income interest received on certain loans secured by agricultural real property.

IN THE SENATE OF THE UNITED STATES

JUNE 23, 2021

Mr. MORAN (for himself, Mr. BOOZMAN, Mr. ROUNDS, Mr. CRAMER, and Mr. MARSHALL) 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 exclude from gross income interest received on certain loans secured by agricultural real 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. SHORT TITLE.**

4 This Act may be cited as the “Enhancing Credit Op-
5 portunities in Rural America Act of 2021” or as the
6 “ECORA Act of 2021”.

1 **SEC. 2. EXCLUSION FOR INTEREST ON LOANS SECURED BY**
2 **AGRICULTURAL REAL PROPERTY.**

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

6 **“SEC. 139I. INTEREST ON LOANS SECURED BY AGRICUL-**
7 **TURAL REAL PROPERTY.**

8 “(a) EXCLUSION.—Gross income shall not include in-
9 terest received by a qualified lender on any qualified real
10 estate loan.

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

12 “(1) QUALIFIED LENDER.—The term ‘qualified
13 lender’ means—

14 “(A) any bank or savings association the
15 deposits of which are insured under the Federal
16 Deposit Insurance Act (12 U.S.C. 1811 et
17 seq.), or

18 “(B) any entity wholly owned, directly or
19 indirectly, by a company that is treated as a
20 bank holding company for purposes of section 8
21 of the International Banking Act of 1978 (12
22 U.S.C. 3106) if such entity is a legal person—

23 “(i) organized, incorporated, or estab-
24 lished under the laws of the United States
25 or any State of the United States, and

1 “(ii) having its principal place of busi-
2 ness in the United States.

3 “(2) QUALIFIED REAL ESTATE LOAN.—The
4 term ‘qualified real estate loan’ means any loan se-
5 cured by agricultural real estate or by a leasehold
6 mortgage (with a status as a lien) on agricultural
7 real estate. For purposes of the preceding sentence,
8 the determination of whether property securing such
9 loan is agricultural real estate shall be made as of
10 the time the interest income on such loan is accrued.

11 “(3) AGRICULTURAL REAL ESTATE.—The term
12 ‘agricultural real estate’ means—

13 “(A) real property which is substantially
14 used for the production of one or more agricul-
15 tural products, and

16 “(B) any single family residence—

17 “(i) which is the principal residence
18 (within the meaning of section 121) of its
19 occupant,

20 “(ii) which is located in a rural area
21 (as determined by the Secretary of Agri-
22 culture), which is not within a Metropoli-
23 tan Statistical Area (as defined by the Of-
24 fice of Management and Budget) and
25 which has a population (determined on the

1 basis of the most recent decennial census
2 for which data are available) of 2,500 or
3 less, and

4 “(iii) which is purchased or improved
5 with the proceeds of the qualified real es-
6 tate loan.

7 “(c) COORDINATION WITH SECTION 265.—Qualified
8 real estate loans shall be treated as obligations described
9 in section 265(a)(2) the interest on which is wholly exempt
10 from the taxes imposed by this subtitle.”.

11 (b) CLERICAL AMENDMENT.—The table of sections
12 for such part III is amended by inserting after the item
13 relating to section 139H the following new item:

“Sec. 139I. Interest on loans secured by agricultural real property.”.

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

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