

107TH CONGRESS  
1ST SESSION

# H. R. 2130

To amend the Internal Revenue Code of 1986 to provide that any water and sewerage disposal property conveyed under the Department of Defense privatization program shall be treated as a nontaxable contribution to the capital of the recipient.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 12, 2001

Mr. SAM JOHNSON of Texas (for himself and Mr. MATSUI) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to provide that any water and sewerage disposal property conveyed under the Department of Defense privatization program shall be treated as a nontaxable contribution to the capital of the recipient.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. WATER AND SEWERAGE DISPOSAL PROPERTY**  
2 **CONVEYED UNDER MILITARY PRIVATIZATION**  
3 **PROGRAM TREATED AS CONTRIBUTIONS TO**  
4 **CAPITAL.**

5 (a) **IN GENERAL.**—Section 118 of the Internal Rev-  
6 enue Code of 1986 (relating to contributions to the capital  
7 of a corporation) is amended by redesignating subsection  
8 (e) as subsection (f) and by inserting after subsection (d)  
9 the following new subsection:

10 “(f) **SPECIAL RULE FOR WATER AND SEWERAGE**  
11 **DISPOSAL PROPERTY CONVEYED UNDER MILITARY PRI-**  
12 **VATIZATION PROGRAM.**—For purposes of this section, the  
13 term ‘contribution to the capital of the taxpayer’ includes  
14 any property—

15 “(1) which provides water or sewerage disposal  
16 services, and

17 “(2) which is received by any entity under sec-  
18 tion 2688 of title 10, United States Code.”

19 (b) **EFFECTIVE DATE.**—The amendment made by  
20 this section shall apply to property conveyed after the date  
21 of the enactment of this Act.

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