

112TH CONGRESS  
1ST SESSION

# H. R. 2198

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

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 15, 2011

Mr. PAULSEN (for himself, Mr. SCHOCK, and Mr. DONNELLY of Indiana) 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 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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