

112TH CONGRESS
1ST SESSION

S. 1761

To amend the Internal Revenue Code of 1986 to repeal the exception to the treatment of consolidated groups under the personal holding company rules.

IN THE SENATE OF THE UNITED STATES

OCTOBER 21 (legislative day, OCTOBER 20), 2011

Ms. CANTWELL 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 repeal the exception to the treatment of consolidated groups under the personal holding company rules.

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. REPEAL OF EXCEPTION TO TREATMENT AS**
4 **CONSOLIDATED GROUP UNDER PERSONAL**
5 **HOLDING COMPANY RULES.**

6 (a) IN GENERAL.—Subsection (b) of section 542 of
7 the Internal Revenue Code of 1986 is amended—

8 (1) by striking paragraphs (2) and (4), and

1 (2) by redesignating paragraphs (3) and (5) as
2 paragraphs (2) and (3), respectively.

3 (b) CONFORMING AMENDMENTS.—

4 (1) Paragraph (1) of section 542(b) of such
5 Code is amended by striking “paragraphs (2) and
6 (3)” and inserting “paragraph (2)”.

7 (2) Clause (ii) of section 1504(c)(2)(B) of such
8 Code is amended by striking “section 542(b)(5)”
9 and inserting “section 542(b)(3)”.

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

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