

118TH CONGRESS
2D SESSION

S. _____

To amend the Internal Revenue Code of 1986 to clarify the tax-exempt controlled entity rules with respect to certain stock of government-sponsored enterprises.

IN THE SENATE OF THE UNITED STATES

Mr. MORAN (for himself and Mr. WARNER) introduced the following bill; which was read twice and referred to the Committee on

A BILL

To amend the Internal Revenue Code of 1986 to clarify the tax-exempt controlled entity rules with respect to certain stock of government-sponsored enterprises.

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. CLARIFICATION OF TAX-EXEMPT CONTROLLED**
4 **ENTITY RULES WITH RESPECT TO CERTAIN**
5 **STOCK OF GOVERNMENT-SPONSORED EN-**
6 **TERPRISES.**

7 (a) IN GENERAL.—Section 168(h)(6)(F)(iii)(I) of the
8 Internal Revenue Code of 1986 is amended by adding at
9 the end the following new sentence: “For purposes of ap-

1 plying the preceding sentence to the Federal Home Loan
2 Mortgage Corporation and the Federal National Mortgage
3 Association, the term ‘tax-exempt entity’ shall not include
4 the United States or any agency or instrumentality of the
5 United States.”.

6 (b) EFFECTIVE DATE.—The amendment made by
7 this section shall apply to taxable years ending after July
8 30, 2008.