

116TH CONGRESS
1ST SESSION

S. 1032

To amend the Internal Revenue Code of 1986 to modify the definition of income for purposes of determining the tax-exempt status of certain corporations.

IN THE SENATE OF THE UNITED STATES

APRIL 4, 2019

Mr. PORTMAN (for himself and Ms. SMITH) 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 modify the definition of income for purposes of determining the tax-exempt status of certain corporations.

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 “Revitalizing Under-
5 developed Rural Areas and Lands (RURAL) Act”.

1 **SEC. 2. MODIFICATION OF INCOME FOR PURPOSES OF DE-**
 2 **TERMINING TAX-EXEMPT STATUS OF CER-**
 3 **TAIN ORGANIZATIONS.**

4 (a) IN GENERAL.—Section 501(c)(12) of the Internal
 5 Revenue Code of 1986 is amended by adding at the end
 6 the following new subparagraph:

7 “(J) In the case of a mutual or cooperative
 8 telephone or electric company described in this
 9 paragraph, subparagraph (A) shall be applied
 10 without taking into account any income received
 11 or accrued from—

12 “(i) any grant, contribution, or assist-
 13 ance provided pursuant to the Robert T.
 14 Stafford Disaster Relief and Emergency
 15 Assistance Act or any similar grant, con-
 16 tribution, or assistance by any local, State,
 17 or regional governmental entity for the
 18 purpose of relief, recovery, or restoration
 19 from, or preparation for, a disaster or
 20 emergency, or

21 “(ii) any grant or contribution by any
 22 governmental entity (other than a con-
 23 tribution in aid of construction or any
 24 other contribution as a customer or poten-
 25 tial customer) the purpose of which is sub-
 26 stantially related to providing, construct-

1 ing, restoring, or relocating electric, com-
2 munication, broadband, internet, or other
3 utility facilities or services.”.

4 (b) EFFECTIVE DATE.—The amendment made by
5 this section shall apply to taxable years beginning after
6 December 31, 2017.

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