

116TH CONGRESS
1ST SESSION

H. R. 2147

To amend the Internal Revenue Code of 1986 to modify the definition of income for purposes of determining the tax-exempt status of certain mutual or cooperative telephone or electric companies.

IN THE HOUSE OF REPRESENTATIVES

APRIL 9, 2019

Ms. SEWELL of Alabama (for herself and Mr. SMITH of Nebraska) introduced the following bill; which was referred to the Committee on Ways and Means

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 mutual or cooperative telephone or electric 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. SHORT TITLE.**

4 This Act may be cited as the “Revitalizing Under-
5 developed Rural Areas and Lands Act of 2019” or as the
6 “RURAL Act of 2019”.

1 **SEC. 2. MODIFICATION OF INCOME FOR PURPOSES OF DE-**
2 **TERMINING TAX-EXEMPT STATUS OF CER-**
3 **TAIN MUTUAL OR COOPERATIVE TELEPHONE**
4 **OR ELECTRIC COMPANIES.**

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

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

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

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

1 stantially related to providing, construct-
2 ing, restoring, or relocating electric, com-
3 munication, broadband, internet, or other
4 utility facilities or services.”.

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

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