

111TH CONGRESS  
1ST SESSION

# H. R. 3609

To amend the Internal Revenue Code of 1986 to clarify the capital gain or loss treatment of the sale or exchange of mitigation credits earned by restoring wetlands.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 21, 2009

Mr. MELANCON (for himself and Mr. TANNER) 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 clarify the capital gain or loss treatment of the sale or exchange of mitigation credits earned by restoring wetlands.

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 “Wetlands Conservation  
5 Investment Act of 2009”.

1 **SEC. 2. CLARIFICATION OF TREATMENT OF SALES OR EX-**  
2 **CHANGES OF WETLAND MITIGATION CRED-**  
3 **ITS AS LONG-TERM CAPITAL GAIN OR LOSS.**

4 (a) **IN GENERAL.**—Part IV of subchapter P of chap-  
5 ter 1 of the Internal Revenue Code of 1986 is amended  
6 by inserting after section 1257 the following new section:

7 **“SEC. 1257A. GAINS OR LOSSES FROM SALES OR EX-**  
8 **CHANGES OF WETLANDS MITIGATION CRED-**  
9 **ITS.**

10 “(a) **GENERAL RULE.**—Gain or loss attributable to  
11 the sale or exchange of a mitigation bank credit by the  
12 sponsor of the mitigation bank who earned such credit  
13 shall be considered the sale or exchange of a capital asset  
14 held for more than 1 year.

15 “(b) **DEFINITIONS.**—For purposes of this section, the  
16 terms ‘mitigation bank’ and ‘mitigation bank credit’ have  
17 the respective meanings given such terms by part 332 of  
18 title 33 of the Code of Federal Regulations.”.

19 (b) **CLERICAL AMENDMENT.**—The table of sections  
20 for part IV of subchapter P of chapter 1 of such Code  
21 is amended by inserting after the item relating to section  
22 1257 the following new item:

“Sec. 1257A. Gains or losses from sales or exchanges of wetlands mitigation  
credits.”.

23 (c) **EFFECTIVE DATE.**—The amendments made by  
24 this section shall apply with respect to sales or exchanges

- 1 of mitigation banking credits occurring before, on, or after
- 2 the date of enactment of this Act.

