

118TH CONGRESS  
2D SESSION

# S. 4740

To amend the Internal Revenue Code of 1986 to exclude debt held by certain insurance companies from capital assets.

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IN THE SENATE OF THE UNITED STATES

JULY 23, 2024

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

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## A BILL

To amend the Internal Revenue Code of 1986 to exclude debt held by certain insurance companies from capital assets.

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 “Secure Family Futures  
5 Act of 2024”.

6 **SEC. 2. DEBT NOT TREATED AS CAPITAL ASSET FOR APPLI-**  
7 **CABLE INSURANCE COMPANIES.**

8 (a) EXCLUSION FROM CAPITAL ASSETS.—Section  
9 1221(a) of the Internal Revenue Code of 1986 is amend-  
10 ed—

1 (1) by striking “or” at the end of paragraph  
2 (7);

3 (2) by striking the period at the end of para-  
4 graph (8) and inserting “; or”; and

5 (3) by adding at the end the following new  
6 paragraph:

7 “(9) any note, bond, debenture, or other evi-  
8 dence of indebtedness held by an applicable insur-  
9 ance company.”.

10 (b) APPLICABLE INSURANCE COMPANY DEFINED.—

11 Section 1221(b) of such Code is amended—

12 (1) by redesignating paragraph (4) as para-  
13 graph (5); and

14 (2) by inserting after paragraph (3) the fol-  
15 lowing new paragraph:

16 “(4) APPLICABLE INSURANCE COMPANY.—For  
17 purposes of subsection (a)(9), the term ‘applicable  
18 insurance company’ means, with respect to any tax-  
19 able year—

20 “(A) any insurance company other than an  
21 insurance company—

22 “(i) with respect to which an election  
23 is in effect under section 831(b)(2)(A)(iii)  
24 or 835(a) for such taxable year,

1                   “(ii) which is a foreign corporation  
2                   described in section 842, or

3                   “(iii) which is an organization to  
4                   which section 833 applies for such taxable  
5                   year, or

6                   “(B) a face-amount certificate company  
7                   registered under the Investment Company Act  
8                   of 1940.”.

9           (c) EFFECTIVE DATE.—The amendments made by  
10 this section shall apply to dispositions after the date of  
11 enactment of this section.

12           (d) TRANSITION RULE.—For taxable years beginning  
13 after the date of the enactment of this section, a taxpayer  
14 may treat a capital loss carryover properly attributable to  
15 the disposition of an asset described in section 1221(a)(9)  
16 of the Internal Revenue Code of 1986 (as added by sub-  
17 section (a)) prior to such date as a net operating loss car-  
18 ryover.

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