To exclude from gross income certain assistance provided to farmers, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. Booker (for himself, Ms. Stabenow, Mr. Warnock, and Ms. Smith) introduced the following bill; which was read twice and referred to the Committee on

A BILL

To exclude from gross income certain assistance provided to farmers, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Family Farmer and Rancher Tax Fairness Act of 2022”.

SEC. 2. TAX TREATMENT OF CERTAIN ASSISTANCE TO FARMERS, ETC.

For purposes of the Internal Revenue Code of 1986, in the case of any payment described in section 1006(e) of the American Rescue Plan Act of 2021 (as amended
by section 22007 of Public Law 117-169) or section 22006 of Public Law 117-169—

(1) such payment shall not be included in the gross income of the person on whose behalf, or to whom, such payment is made,

(2) no deduction shall be denied, no tax attribute shall be reduced, and no basis increase shall be denied, by reason of the exclusion from gross income provided by paragraph (1), and

(3) in the case of a partnership or S corporation on whose behalf, or to whom, such a payment is made—

(A) any amount excluded from income by reason of paragraph (1) shall be treated as tax exempt income for purposes of sections 705 and 1366 of such Code, and

(B) except as provided by the Secretary of the Treasury (or the Secretary’s delegate), any increase in the adjusted basis of a partner’s interest in a partnership under section 705 of such Code with respect to any amount described in subparagraph (A) shall equal the partner’s distributive share of deductions resulting from interest that is part of such payment and the partner’s share, as determined under section
1 752 of such Code, of principal that is part of
2 such payment.