

117TH CONGRESS
1ST SESSION

H. R. 3420

To amend the Internal Revenue Code of 1986 to exclude from gross income certain amounts realized on the disposition of property raised or produced by a student agriculturist, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 20, 2021

Mr. McCAUL (for himself, Mr. CUELLAR, Mr. CRAWFORD, Mrs. AXNE, Mr. MANN, and Mr. DAVID SCOTT of Georgia) 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 exclude from gross income certain amounts realized on the disposition of property raised or produced by a student agriculturist, and for other purposes.

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 “Student Agriculture
5 Protection Act of 2021”.

1 **SEC. 2. EXCLUSION OF CERTAIN GAIN BY STUDENT AGRI-**
 2 **CULTURISTS FROM GROSS INCOME.**

3 (a) IN GENERAL.—Part III of subchapter B of chap-
 4 ter 1 of the Internal Revenue Code of 1986 is amended
 5 by inserting after section 139H the following new section:

6 **“SEC. 139I. GAIN FROM PROPERTY PRODUCED OR RAISED**
 7 **BY A STUDENT AGRICULTURIST.**

8 “(a) IN GENERAL.—In the case of a student agri-
 9 culturist, gross income shall not include so much of the
 10 gain from qualified dispositions during the taxable year
 11 as does not exceed \$5,000.

12 “(b) DEFINITIONS.—For purposes of this section—

13 “(1) STUDENT AGRICULTURIST.—The term
 14 ‘student agriculturist’ means an individual who has
 15 not attained age 22 and who is enrolled in—

16 “(A) an FFA chapter or a program estab-
 17 lished by the National FFA Organization,

18 “(B) a 4-H Club or other program estab-
 19 lished by 4-H, or

20 “(C) any student agriculture program
 21 similar in nature to a club or program de-
 22 scribed in subparagraph (A) or (B) which is
 23 under the direction or guidance of an agricul-
 24 tural educator, advisor, or club leader.

25 “(2) QUALIFIED DISPOSITION.—

“(A) IN GENERAL.—The term ‘qualified disposition’ means a sale or exchange of qualified property by or on behalf of a student agriculturist (determined as of the date of the sale or exchange) which occurs—

“(i) during an activity of a type described in paragraph (2)(B) or (3)(B) of section 513(d), or

“(ii) under the supervision of a program described in subparagraph (A), (B), or (C) of paragraph (1).

“(B) QUALIFIED PROPERTY.—For purposes of subparagraph (A), the term ‘qualified property’ means personal property, including livestock, crops, and agricultural mechanics or shop projects, produced or raised—

“(i) by the student agriculturist by or on behalf of whom the sale or exchange is made, and

“(ii) under the supervision of a program described in subparagraph (A), (B), or (C) of paragraph (1).”.

(b) CONFORMING AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting

1 after the item relating to section 139H the following new
2 item:

“Sec. 139I. Gain from property produced or raised by a student agriculturist.”.

3 (c) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to taxable years beginning after
5 the date of the enactment of this Act.

○