

116TH CONGRESS
1ST SESSION

H. R. 4805

To amend the Internal Revenue Code of 1986 to provide an exclusion from gross income for interest on certain small business loans.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 23, 2019

Mr. KIM (for himself, Mr. BURCHETT, and Ms. KENDRA S. HORN of Oklahoma) 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 provide an exclusion from gross income for interest on certain small business loans.

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 “Access Business Credit
5 Act of 2019” or as the “ABC Act of 2019”.

1 **SEC. 2. EXCLUSION OF INTEREST ON CERTAIN SMALL BUSI-**
2 **NESS LOANS.**

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 139G the following new section:

6 **“SEC. 139H. INTEREST ON CERTAIN SMALL BUSINESS**
7 **LOANS.**

8 “(a) IN GENERAL.—In the case of a bank described
9 in subsection (c), gross income shall not include qualified
10 interest received from a small business during the taxable
11 year.

12 “(b) QUALIFIED INTEREST.—The term ‘qualified in-
13 terest’ means, with respect to a small business, interest
14 on indebtedness of not more than \$5,000,000—

15 “(1) secured by land situated in the United
16 States that is used or held by the small business in
17 connection with the active conduct of a farming
18 business, or

19 “(2) incurred in the ordinary course of the
20 trade or business of the small business.

21 “(c) BANK DESCRIBED.—

22 “(1) IN GENERAL.—A bank is described in this
23 subsection if the bank has less than \$50 billion in
24 assets at the close of the preceding taxable year.

25 “(2) BANK DEFINED.—For purposes of this
26 subsection—

1 “(A) IN GENERAL.—The term ‘bank’
2 means—

3 “(i) any financial institution described
4 in section 581 or 591, and

5 “(ii) a corporation which, under the
6 laws of the State of its incorporation, is
7 subject to supervision and examination by
8 the Commissioner of Banking or other offi-
9 cer of such State in charge of the adminis-
10 tration of the banking laws of such State.

11 “(B) HOLDING COMPANY.—The term
12 ‘bank’ includes—

13 “(i) any bank holding company (with-
14 in the meaning of section 2(a) of the Bank
15 Holding Company Act of 1956), and

16 “(ii) any subsidiary of a financial in-
17 stitution described in section 581 or 591 or
18 of any bank holding company if such sub-
19 sidiary is predominantly engaged (directly
20 or indirectly) in the active conduct of a
21 banking, financing, or similar business.

22 “(d) SMALL BUSINESS.—The term ‘small business’
23 means a small business concern as defined under section
24 3 of the Small Business Act (15 U.S.C. 632).

1 “(e) FARMING BUSINESS.—The term ‘farming busi-
2 ness’ has the meaning given such term by section
3 263A(e)(4).

4 “(f) TERMINATION.—This section shall not apply to
5 interest received after December 31, 2025.”.

6 (b) CLERICAL AMENDMENT.—The table of sections
7 for part III of subchapter B of chapter 1 of such Code
8 is amended by inserting after the item relating to section
9 139G the following new item:

“Sec. 139H. Interest on certain small business loans.”.

10 (c) REPORT TO CONGRESS.—Not later than Decem-
11 ber 31, 2024, the Commissioner of Internal Revenue, after
12 consultation with the Federal reserve banks, shall submit
13 to Congress a written report providing the recommenda-
14 tion of the Commissioner regarding whether the exclusion
15 provided under section 139H of the Internal Revenue
16 Code of 1986 (as added by this section) should be ex-
17 tended or should be allowed to terminate and the reasons
18 for such recommendation.

19 (d) EFFECTIVE DATE.—The amendments made by
20 this section shall apply to interest received after December
21 31, 2020, in taxable years ending after such date.

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