

114TH CONGRESS  
2D SESSION

# S. 2774

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 farmer, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

APRIL 11, 2016

Mr. MORAN (for himself and Mrs. ERNST) 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 from gross income certain amounts realized on the disposition of property raised or produced by a student farmer, 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 “Agriculture Students  
5 EARN Act” or the “Agriculture Students Encourage, Ac-  
6 knowledge, Reward, Nurture Act”.

1 **SEC. 2. EXCLUSION OF CERTAIN GAIN BY STUDENT FARM-**  
 2 **ERS 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 139F the following new section:

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

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

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

13 “(1) STUDENT FARMER.—The term ‘student  
 14 farmer’ means an individual who has not attained  
 15 age 19 and who is enrolled in—

16 “(A) a program established by the Na-  
 17 tional 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.—

1           “(A) IN GENERAL.—The term ‘qualified  
2           disposition’ means a sale or exchange of quali-  
3           fied property by or on behalf of a student farm-  
4           er (determined as of the date of the sale or ex-  
5           change) which occurs—

6                   “(i) during an activity of a type de-  
7                   scribed in subparagraph (2)(B) or (3)(B)  
8                   of section 513(d), or

9                   “(ii) under the supervision of a pro-  
10                  gram described in subparagraph (A) or (B)  
11                  of paragraph (1).

12           “(B) QUALIFIED PROPERTY.—For pur-  
13           poses of subparagraph (A), the term ‘qualified  
14           property’ means personal property, including  
15           livestock, crops, and agricultural mechanics or  
16           shop projects, produced or raised—

17                   “(i) by the student farmer by or on  
18                   behalf of whom the sale or exchange is  
19                   made, and

20                   “(ii) under the supervision of a pro-  
21                   gram described in subparagraph (A) or (B)  
22                   of paragraph (1).”.

23           (b) CONFORMING AMENDMENT.—The table of sec-  
24           tions for part III of subchapter B of chapter 1 of the In-  
25           ternal Revenue Code of 1986 is amended by inserting

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

“Sec. 139G. Gain from property produced or raised by a student farmer.”.

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.

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