

## 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.—

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 agri-
4	culturist (determined as of the date of the sale
5	or exchange) which occurs—
6	"(i) during an activity of a type de-
7	scribed in paragraph (2)(B) or (3)(B) of
8	section 513(d), or
9	"(ii) under the supervision of a pro-
10	gram described in subparagraph (A), (B),
11	or (C) 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 agriculturist by or
18	on 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), (B),
22	or (C) 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 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.

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