116TH CONGRESS
2D SESSION

H. R. _____

To amend section 199A of the Internal Revenue Code of 1986 to allow the deduction under that section to apply to qualified BDC interest dividends in the same manner as qualified REIT dividends.

IN THE HOUSE OF REPRESENTATIVES

Mr. BRENDAN F. BOYLE of Pennsylvania introduced the following bill; which was referred to the Committee on ______________________

A BILL

To amend section 199A of the Internal Revenue Code of 1986 to allow the deduction under that section to apply to qualified BDC interest dividends in the same manner as qualified REIT dividends.

1 Be it enacted by the Senate and House of Representa-
2 tives of the United States of America in Congress assembled,
SECTION 1. DEDUCTION FOR QUALIFIED BUSINESS INCOME TO APPLY TO CERTAIN INTEREST DIVIDENDS OF QUALIFIED BUSINESS DEVELOPMENT COMPANIES.

(a) IN GENERAL.—Subsections (b)(1)(B) and (c)(1) of section 199A of the Internal Revenue Code of 1986 are each amended by inserting ‘‘, qualified BDC interest dividends,’’ after ‘‘qualified REIT dividends’’.

(b) QUALIFIED BDC INTEREST DIVIDEND DEFINED.—Section 199A(e) of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

‘‘(5) QUALIFIED BDC INTEREST DIVIDEND.—

‘‘(A) IN GENERAL.—The term ‘qualified BDC interest dividend’ means any dividend from an electing business development company received during the taxable year which is attributable to net interest income of such company which is properly allocable to a qualified trade or business of such company.

‘‘(B) ELECTING BUSINESS DEVELOPMENT COMPANY.—For purposes of this paragraph, the term ‘electing business development company’ means a business development company (as defined in section 2(a) of the Investment Company Act of 1940) which has an elect-
tion in effect under section 851 to be treated as a regulated investment company.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2019.