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(Original Signature of Member)

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,*

1 **SECTION 1. DEDUCTION FOR QUALIFIED BUSINESS IN-**
2 **COME TO APPLY TO CERTAIN INTEREST DIVI-**
3 **DENDS OF QUALIFIED BUSINESS DEVELOP-**
4 **MENT COMPANIES.**

5 (a) IN GENERAL.—Subsections (b)(1)(B) and (c)(1)
6 of section 199A of the Internal Revenue Code of 1986 are
7 each amended by inserting “, qualified BDC interest divi-
8 dends,” after “qualified REIT dividends”.

9 (b) QUALIFIED BDC INTEREST DIVIDEND DE-
10 FINED.—Section 199A(e) of the Internal Revenue Code
11 of 1986 is amended by adding at the end the following
12 new paragraph:

13 “(5) QUALIFIED BDC INTEREST DIVIDEND.—

14 “(A) IN GENERAL.—The term ‘qualified
15 BDC interest dividend’ means any dividend
16 from an electing business development company
17 received during the taxable year which is attrib-
18 utable to net interest income of such company
19 which is properly allocable to a qualified trade
20 or business of such company.

21 “(B) ELECTING BUSINESS DEVELOPMENT
22 COMPANY.—For purposes of this paragraph, the
23 term ‘electing business development
24 company’ means a business development com-
25 pany (as defined in section 2(a) of the Invest-
26 ment Company Act of 1940) which has an elec-

1 tion in effect under section 851 to be treated as
2 a regulated investment company.”.

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