

SA 2261. Mr. GRASSLEY submitted an amendment intended to be proposed by him to the bill H.R. 3108, to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1986 to temporarily replace the 30-year Treasury rate with a rate based on long-term corporate bonds for certain pension plan funding requirements and other provisions, and for other purposes; which was ordered to lie on the table; as follows:

At the end, add:

SEC. __. EXTENSION OF TRANSFERS OF EXCESS PENSION ASSETS TO RETIREE HEALTH ACCOUNTS.

(a) *Amendment of Internal Revenue Code of 1986.*--Paragraph (5) of section 420(b) of the Internal Revenue Code of 1986 (relating to expiration) is amended by striking ``December 31, 2005" and inserting ``December 31, 2013".

(b) AMENDMENTS OF ERISA.--

(1) Section 101(e)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1021(e)(3)) is amended by striking ``Tax Relief Extension Act of 1999" and inserting ``Pension Stability Act".

(2) Section 403(c)(1) of such Act (29 U.S.C. 1103(c)(1)) is amended by striking ``Tax Relief Extension Act of 1999" and inserting ``Pension Stability Act".

(3) Paragraph (13) of section 408(b) of such Act (29 U.S.C. 1108(b)(3)) is amended--

(A) by striking ``January 1, 2006" and inserting ``January 1, 2014", and

(B) by striking ``Tax Relief Extension Act of 1999" and inserting ``Pension Stability Act".

SEC. __. CLARIFICATION OF EXEMPTION FROM TAX FOR SMALL PROPERTY AND CASUALTY INSURANCE COMPANIES.

(a) **IN GENERAL.**--Section 501(c)(15)(A) of the Internal Revenue Code of 1986 is amended to read as follows:

``(A) Insurance companies (as defined in section 816(a)) other than life (including interinsurers and reciprocal underwriters) if--

``(i) the gross receipts for the taxable year do not exceed \$600,000, and

``(ii) more than 50 percent of such gross receipts consist of premiums.".

(b) **CONTROLLED GROUP RULE.**--Section 501(c)(15)(C) of the Internal Revenue Code of 1986 is amended by inserting `` , except that in applying section 1563 for purposes of section 831(b)(2)(B)(ii), subparagraphs (B) and (C) of section 1563(b)(2) shall be disregarded" before the period at the end.

(c) **CONFORMING AMENDMENT.**--Clause (i) of section 831(b)(2)(A) of the Internal Revenue Code of 1986 is amended by striking ``exceed \$350,000 but".

(d) **EFFECTIVE DATE.**--The amendments made by this section shall apply to taxable years beginning after December 31, 2003.

SEC. __. DEFINITION OF INSURANCE COMPANY FOR SECTION 831.

(a) **IN GENERAL.**--Section 831 of the Internal Revenue Code of 1986 is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

``(c) **INSURANCE COMPANY DEFINED.**--For purposes of this section, the term `insurance company' has the meaning given to such term by section 816(a)".

(b) **EFFECTIVE DATE.**--The amendment made by this section shall apply to taxable years beginning after December 31, 2003.

Amendment SA 2261 as modified agreed to in Senate by Unanimous Consent.