

119TH CONGRESS
1ST SESSION

S. 1335

To amend the Internal Revenue Code of 1986 to exclude debt held by certain insurance companies from capital assets and to extend capital loss carryovers for such companies from 5 years to 10 years.

IN THE SENATE OF THE UNITED STATES

APRIL 8, 2025

Mr. TILLIS (for himself and Mr. WARNOCK) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to exclude debt held by certain insurance companies from capital assets and to extend capital loss carryovers for such companies from 5 years to 10 years.

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 “Secure Family Futures
5 Act of 2025”.

1 **SEC. 2. DEBT NOT TREATED AS CAPITAL ASSET FOR APPLI-**
 2 **CABLE INSURANCE COMPANIES.**

3 (a) EXCLUSION FROM CAPITAL ASSETS.—Section
 4 1221(a) of the Internal Revenue Code of 1986 is amended
 5 by striking “or” at the end of paragraph (7), by striking
 6 the period at the end of paragraph (8) and inserting “;
 7 or”, and by adding at the end the following new para-
 8 graph:

9 “(9) any note, bond, debenture, or other evi-
 10 dence of indebtedness held by an applicable insur-
 11 ance company.”.

12 (b) APPLICABLE INSURANCE COMPANY DEFINED.—
 13 Section 1221(b) of such Code is amended by redesignating
 14 paragraph (4) as paragraph (5) and by inserting after
 15 paragraph (3) the following new paragraph:

16 “(4) APPLICABLE INSURANCE COMPANY.—For
 17 purposes of subsection (a)(9), the term ‘applicable
 18 insurance company’ means, with respect to any tax-
 19 able year—

20 “(A) any insurance company other than an
 21 insurance company—

22 “(i) with respect to which an election
 23 is in effect under section 831(b)(2)(A)(iii)
 24 or 835(a) for such taxable year,

25 “(ii) which is a foreign corporation
 26 described in section 842, or

1 “(iii) which is an organization to
 2 which section 833 applies for such taxable
 3 year, or

4 “(B) a face-amount certificate company
 5 registered under the Investment Company Act
 6 of 1940.”.

7 (c) EFFECTIVE DATE.—The amendments made by
 8 this section shall apply to notes, bonds, debentures, or
 9 other evidence of indebtedness acquired by an applicable
 10 insurance company (as defined in section 1221(b)(4)) of
 11 such Code after December 31, 2025.

12 **SEC. 3. CAPITAL LOSS CARRYOVERS INCURRED BY APPLI-**
 13 **CABLE INSURANCE COMPANIES ALLOWED**
 14 **FOR 10 YEARS.**

15 (a) IN GENERAL.—Section 1212(a)(1)(C) of the In-
 16 ternal Revenue Code of 1986 is amended to read as fol-
 17 lows:

18 “(C) a capital loss carryover to each of the
 19 10 taxable years succeeding the loss year, but
 20 only to the extent such loss—

21 “(i) is attributable to a foreign expro-
 22 priation loss, or

23 “(ii) was incurred by an applicable in-
 24 surance company (as defined in section
 25 1221(b)(4)).”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to net capital losses arising in tax-
3 able years beginning after December 31, 2025.

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