

119TH CONGRESS
1ST SESSION

S. 1603

To amend the Internal Revenue Code of 1986 to clarify the tax-exempt controlled entity rules with respect to certain stock of government-sponsored enterprises.

IN THE SENATE OF THE UNITED STATES

MAY 6, 2025

Mr. MORAN (for himself, Mr. YOUNG, Mr. WELCH, and Mr. WARNER) 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 clarify the tax-exempt controlled entity rules with respect to certain stock of government-sponsored enterprises.

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 “Preserving Rural
5 Housing Investments Act”.

1 **SEC. 2. CLARIFICATION OF TAX-EXEMPT CONTROLLED EN-**
2 **TITY RULES WITH RESPECT TO CERTAIN**
3 **STOCK OF GOVERNMENT-SPONSORED EN-**
4 **TERPRISES.**

5 (a) **IN GENERAL.**—Section 168(h)(6)(F)(iii)(I) of the
6 Internal Revenue Code of 1986 is amended by adding at
7 the end the following new sentence: “For purposes of ap-
8 plying the preceding sentence to the Federal Home Loan
9 Mortgage Corporation and the Federal National Mortgage
10 Association, the term ‘tax-exempt entity’ shall not include
11 the United States or any agency or instrumentality of the
12 United States.”.

13 (b) **EFFECTIVE DATE.**—The amendment made by
14 this section shall apply to taxable years ending after July
15 30, 2008.

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