

SENATE SMALL BUSINESS COMMITTEE  
MINUTES

June 5, 1981

The Senate Small Business Committee met on Friday, June 5, 1981, at 9:30 a.m. The Chairman, Senator R. P. Thomas, presided.

The following members were present: Senators Thomas, Creech, Allred, Baker, Duncan, Frye, Marvin, and Smith. Members absent: Senators Boger, Cavanagh, Lawing, Marion, Noble, and Walker.

Senator Creech was recognized to explain Senate Bill 590, No Gain from Sale of Business.

Senator Creech stated that the proposed legislation was patterned after legislation whereby when you reach the age of 55 or more you may sell your house after living there for three years, and you do not have to report the gain. The proposed legislation will give a break to people who sell their business after having owned the business for five years, the business having been the seller's principal source of income for five years, and the excludable amount not exceeding \$100,000.

The Chairman read excerpts from a letter received from the Secretary of the Department of Revenue concerning this proposed legislation. (See Attachment No. 1.)

After much discussion concerning the definition of small business as it pertains to this legislation, the effect on income tax, and effect on married couples that may each own a business, the Chairman asked that Senator Creech be prepared to answer some of the questions at the next meeting.

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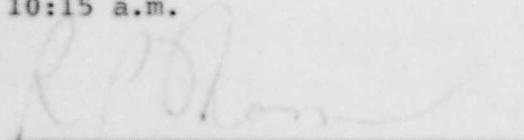
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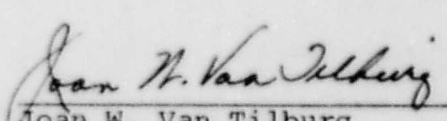
Senator Thomas asked for a motion on Senate Bill 156, Federal Bankruptcy Exemptions Unavailable, explaining that the committee had previously given a favorable report, but as he had been holding this bill until Senate Bill 203, Exemptions from Claims of Creditors, was acted upon, stating that since House Bill 313, Money Judgments, Part 3, had received a favorable report, provisions of both Senate Bill 156 and Senate Bill 203 were included therein.

Motion was made by Senator Baker to postpone Senate Bill 156, Federal Bankruptcy Exemptions Unavailable; seconded by Senator Smith, motion carried.

Senator Baker moved that Senate Bill 203, Exemptions from Claims of Creditors, likewise be postponed indefinitely; seconded by Senator Duncan, motion carried.

There being no further business, the committee adjourned at 10:15 a.m.

  
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R. P. "Bo" Thomas  
Chairman

  
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Joan W. Van Tilburg  
Committee Clerk