

114TH CONGRESS
1ST SESSION

H. R. 3935

To amend the Internal Revenue Code of 1986 to terminate the deferral of active income of controlled foreign corporations.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 5, 2015

Mr. POCAN (for himself, Ms. NORTON, Mr. GARAMENDI, Ms. LEE, Mr. ELLISON, and Mr. NADLER) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to terminate the deferral of active income of controlled foreign corporations.

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 “Putting America First
5 Corporate Tax Act”.

1 **SEC. 2. TERMINATION OF DEFERRAL OF ACTIVE INCOME**
2 **OF CONTROLLED FOREIGN CORPORATIONS.**

3 (a) **IN GENERAL.**—Section 952 of the Internal Rev-
4 enue Code of 1986 is amended by adding at the end the
5 following new subsection:

6 “(e) **SPECIAL APPLICATION OF SUBPART.**—

7 “(1) **IN GENERAL.**—For taxable years begin-
8 ning after December 31, 2015, notwithstanding any
9 other provision of this subpart, the term ‘subpart F
10 income’ means, in the case of any controlled foreign
11 corporation, the income of such corporation derived
12 from any foreign country.

13 “(2) **APPLICABLE RULES.**—Rules similar to the
14 rules under the last sentence of subsection (a) and
15 subsection (d) shall apply to this subsection.”.

16 (b) **EFFECTIVE DATE.**—The amendment made by
17 subsection (a) shall apply to taxable years beginning after
18 December 31, 2015.

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