

109TH CONGRESS
1ST SESSION

H. R. 4388

To amend the Internal Revenue Code of 1986 to extend certain expiring provisions, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 18, 2005

Mr. THOMAS 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 extend certain expiring provisions, and for other purposes.

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, ETC.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Tax Revision Act of 2005”.

6 (b) AMENDMENT OF 1986 CODE.—Except as other-
7 wise expressly provided, whenever in this Act an amend-
8 ment or repeal is expressed in terms of an amendment
9 to, or repeal of, a section or other provision, the reference

1 shall be considered to be made to a section or other provi-
2 sion of the Internal Revenue Code of 1986.

3 (c) TABLE OF CONTENTS.—The table of contents for
4 this Act is as follows:

Sec. 1. Short title, etc.

Sec. 2. Election to include combat pay as earned income for purposes of earned
income credit.

Sec. 3. Cover over of tax on distilled spirits.

Sec. 4. Authority for undercover operations.

Sec. 5. Disclosures of certain tax return information.

Sec. 6. Deduction allowable with respect to income attributable to domestic pro-
duction activities in Puerto Rico.

5 **SEC. 2. ELECTION TO INCLUDE COMBAT PAY AS EARNED**
6 **INCOME FOR PURPOSES OF EARNED INCOME**
7 **CREDIT.**

8 (a) IN GENERAL.—Subclause (II) of section
9 32(c)(2)(B)(vi) is amended by striking “January 1, 2006”
10 and inserting “January 1, 2007”.

11 (b) EFFECTIVE DATE.—The amendment made by
12 subsection (a) shall apply to taxable years beginning after
13 December 31, 2005.

14 **SEC. 3. COVER OVER OF TAX ON DISTILLED SPIRITS.**

15 (a) IN GENERAL.—Paragraph (1) of section 7652(f)
16 (relating to limitation on cover over of tax on distilled spir-
17 its) is amended by striking “January 1, 2006” and insert-
18 ing “January 1, 2007”.

19 (b) EFFECTIVE DATE.—The amendment made by
20 subsection (a) shall apply to articles brought into the
21 United States after December 31, 2005.

1 **SEC. 4. AUTHORITY FOR UNDERCOVER OPERATIONS.**

2 Paragraph (6) of section 7608(c) (relating to applica-
3 tion of section) is amended by striking “January 1, 2006”
4 both places it appears and inserting “January 1, 2007”.

5 **SEC. 5. DISCLOSURES OF CERTAIN TAX RETURN INFORMA-**
6 **TION.**

7 (a) DISCLOSURES TO FACILITATE COMBINED EM-
8 PLOYMENT TAX REPORTING.—

9 (1) IN GENERAL.—Subparagraph (B) of section
10 6103(d)(5) (relating to termination) is amended by
11 striking “December 31, 2005” and inserting “De-
12 cember 31, 2006”.

13 (2) EFFECTIVE DATE.—The amendment made
14 by paragraph (1) shall apply to disclosures after De-
15 cember 31, 2005.

16 (b) DISCLOSURES RELATING TO TERRORIST ACTIVI-
17 TIES.—

18 (1) IN GENERAL.—Clause (iv) of section
19 6103(i)(3)(C) and subparagraph (E) of section
20 6103(i)(7) are each amended by striking “December
21 31, 2005” and inserting “December 31, 2006”.

22 (2) EFFECTIVE DATE.—The amendments made
23 by paragraph (1) shall apply to disclosures after De-
24 cember 31, 2005.

25 (c) DISCLOSURES RELATING TO STUDENT LOANS.—

1 (1) IN GENERAL.—Subparagraph (D) of section
2 6103(l)(13) (relating to termination) is amended by
3 striking “December 31, 2005” and inserting “De-
4 cember 31, 2006”.

5 (2) EFFECTIVE DATE.—The amendment made
6 by paragraph (1) shall apply to requests made after
7 December 31, 2005.

8 **SEC. 6. DEDUCTION ALLOWABLE WITH RESPECT TO IN-**
9 **COME ATTRIBUTABLE TO DOMESTIC PRO-**
10 **DUCTION ACTIVITIES IN PUERTO RICO.**

11 (a) IN GENERAL.—Subsection (d) of section 199 (re-
12 lating to definitions and special rules) is amended by re-
13 designating paragraph (7) as paragraph (8) and by insert-
14 ing after paragraph (6) the following new paragraph:

15 “(7) TREATMENT OF ACTIVITIES IN PUERTO
16 RICO.—

17 “(A) IN GENERAL.—In the case of any
18 taxpayer with gross receipts for any taxable
19 year from sources within the Commonwealth of
20 Puerto Rico, if all of such receipts are taxable
21 under section 1 or 11 for such taxable year,
22 then for purposes of determining the domestic
23 production gross receipts of such taxpayer for
24 such taxable year under subsection (c)(4), the

1 term ‘United States’ shall include the Common-
2 wealth of Puerto Rico.

3 “(B) TERMINATION.—Subparagraph (A)
4 shall not apply to any taxable year beginning
5 after December 31, 2006.”.

6 (b) EFFECTIVE DATE.—The amendments made by
7 subsection (a) shall apply to taxable years beginning after
8 December 31, 2005.

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