

103^D CONGRESS
1ST SESSION

H. R. 1401

To amend the Internal Revenue Code of 1986 to remove United States tax barriers inhibiting competitiveness of United States owned business operating in the European Community.

IN THE HOUSE OF REPRESENTATIVES

MARCH 18, 1993

Mr. GIBBONS introduced the following bill; which was read twice and referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to remove United States tax barriers inhibiting competitiveness of United States owned business operating in the European Community.

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. SAME COUNTRY RULES.—Section 954 of
4 such Code (relating to foreign base company income) is
5 amended by adding at the end thereof a new subsection
6 as follows:

7 “(h) SPECIAL RULE FOR EUROPEAN COMMUNITY
8 ACTIVITIES.—

1 “(1) IN GENERAL.—For purposes of sub-
2 sections (d) and (e), the countries comprising the
3 European Community shall constitute a single
4 country.

5 “(2) DEFINITION.—For purposes of paragraph
6 (1), the term “European Community” shall include
7 countries:

8 “(A) which are members of the Council of
9 Ministers of the European Communities (Bel-
10 gium, Denmark, France, Greece, the Irish Re-
11 public, Italy, Luxembourg, The Netherlands,
12 Portugal, Spain, the Federal Republic of Ger-
13 many, and the United Kingdom) and

14 “(B) which—

15 “(i) have a maximum statutory tax
16 rate greater than 90 percent of the maxi-
17 mum rate of tax specified in section 11(b),
18 and

19 “(ii) do not exempt from taxation pur-
20 suant to a tax holiday, preferential statu-
21 tory rate or similar special rule income of
22 a controlled foreign corporation described
23 in subsection (d) or (e) (determined with-
24 out regard to this subsection).”

1 SEC. 2. EFFECTIVE DATE.—The amendment made
2 by section 1 shall be effective for taxable years beginning
3 after December 31, 1993.

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