

104TH CONGRESS
1ST SESSION

H. R. 88

To amend the Internal Revenue Code of 1986 to enhance tax equity and fairness by imposing an alternative minimum tax on corporations importing products into the United States at artificially inflated prices.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 4, 1995

Mr. KANJORSKI 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 enhance tax equity and fairness by imposing an alternative minimum tax on corporations importing products into the United States at artificially inflated prices.

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. ALTERNATIVE MINIMUM TAX ON CORPORA-**
4 **TIONS IMPORTING PRODUCTS INTO THE**
5 **UNITED STATES AT ARTIFICIALLY INFLATED**
6 **PRICES.**

7 (a) IN GENERAL.—Subchapter A of chapter 1 of the
8 Internal Revenue Code of 1986 (relating to determination

1 of tax liability) is amended by adding at the end thereof
 2 the following new part:

3 **“PART VIII—ALTERNATIVE MINIMUM TAX ON**
 4 **CORPORATIONS IMPORTING PRODUCTS**
 5 **INTO THE UNITED STATES AT ARTIFICIALLY**
 6 **INFLATED PRICES**

“Sec. 59B. Alternative minimum tax on corporations importing products into
 the United States at artificially inflated prices.

7 **“SEC. 59B. ALTERNATIVE MINIMUM TAX ON CORPORA-**
 8 **TIONS IMPORTING PRODUCTS INTO THE**
 9 **UNITED STATES AT ARTIFICIALLY INFLATED**
 10 **PRICES.**

11 “(a) IMPOSITION OF TAX.—In the case of a corpora-
 12 tion to which this section applies, there is hereby imposed
 13 an alternative minimum tax equal to 5 percent of net busi-
 14 ness receipts of the corporation for the taxable year.

15 “(b) TAXPAYERS TO WHICH SECTION APPLIES.—
 16 This section shall apply to any corporation, foreign or do-
 17 mestic, if—

18 “(1) gross sales in the United States during the
 19 tax year of parts or products manufactured by the
 20 corporation, or any subsidiary or affiliate controlled
 21 by the corporation, exceeded \$10,000,000,

22 “(2) during that same tax year parts or prod-
 23 ucts manufactured by the corporation, or any sub-
 24 subsidiary or affiliate controlled by the corporation, with

1 a customs value in excess of \$10,000,000 were im-
2 ported into the United States, and

3 “(3) its tax obligation under this section ex-
4 ceeds its total tax obligation under all other sections
5 of the Internal Revenue Code of 1986.

6 “(c) CREDIT FOR TAXES PAID.—There shall be a
7 nonrefundable credit against the taxes owed under this
8 section equal to the total of all other taxes paid by the
9 corporation under the Internal Revenue Code of 1986.

10 “(d) DEFINITIONS.—For purposes of this section:

11 “(1) NET BUSINESS RECEIPTS.—The term ‘net
12 business receipts’ means the value of all parts or
13 products sold in the United States, excluding—

14 “(A) the value of parts or products sold for
15 export,

16 “(B) expenses paid for parts or products
17 produced in the United States,

18 “(C) expenses paid for services performed
19 in the United States, and

20 “(D) amounts paid for income, sales or use
21 taxes imposed by any State, or political subdivi-
22 sion thereof, or by the District of Columbia,
23 Puerto Rico, Guam or the Virgin Islands.

24 “(2) SUBSIDIARY OR AFFILIATE CONTROLLED
25 BY THE CORPORATION.—An entity shall be consid-

1 ered to be a ‘subsidiary or affiliate controlled by the
2 corporation’ if the corporation owns 5 percent or
3 more of any class of stock of the entity or if the cor-
4 poration exercises control over a majority of the
5 board of directors of the entity.”

6 (b) CLERICAL AMENDMENT.—The table of parts for
7 such subchapter A is amended by adding at the end there-
8 of the following new item:

 “Part VIII. Alternative minimum tax on corporations importing
 products into the United States at artificially in-
 flated prices.”

9 (c) EFFECTIVE DATE.—The amendments made by
10 this section shall apply to taxable years beginning after
11 December 31, 1994.

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