

107TH CONGRESS
2D SESSION

H. R. 4488

To amend the unrelated business taxable income provisions of the Internal Revenue Code of 1986.

IN THE HOUSE OF REPRESENTATIVES

APRIL 18, 2002

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

A BILL

To amend the unrelated business taxable income provisions of the Internal Revenue Code of 1986.

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. MODIFICATIONS TO SECTION 512(b)(13).**

4 (a) IN GENERAL.—Paragraph 13 of section 512(b)
5 of the Internal Revenue Code of 1986 (relating to special
6 rules for certain amounts received from controlled entities)
7 is amended by redesignating subparagraph (E) as sub-
8 paragraph (F) and by inserting after subparagraph (D)
9 the following new subparagraph:

1 “(E) PARAGRAPH TO APPLY ONLY TO EX-
2 CESS PAYMENTS.—

3 “(i) IN GENERAL.—Subparagraph (A)
4 shall apply only to the portion of a speci-
5 fied payment received by the controlling
6 organization that exceeds the amount
7 which would have been paid if such pay-
8 ment met the requirements prescribed
9 under section 482.

10 “(ii) ADDITION TO TAX FOR VALU-
11 ATION MISSTATEMENTS.—The tax imposed
12 by this chapter on the controlling organiza-
13 tion shall be increased by an amount equal
14 to 20 percent of such excess.”.

15 (b) EFFECTIVE DATE.—The amendments made by
16 this section are effective as if included in section 1041(a)
17 of the Taxpayer Relief Act of 1997 (Public Law 105–34).

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