

112TH CONGRESS
1ST SESSION

S. 1837

To amend the Internal Revenue Code of 1986 to modify and permanently extend the incentives to reinvest foreign earnings in the United States.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 9, 2011

Mr. LEE (for himself, Mr. CRAPO, Mr. DEMINT, Mr. PAUL, Mr. RISCH, and Mr. BLUNT) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to modify and permanently extend the incentives to reinvest foreign earnings in the United States.

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 “Rebuilding America
5 Act”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

8 (1) United States multinational companies have
9 an estimated \$2,300,000,000,000 held in foreign ac-

1 counts that could be used to invest in domestic eco-
2 nomic recovery and employment growth.

3 (2) Multinational companies are not investing
4 those profits domestically due to high taxes.

5 (3) The United States Treasury is not receiving
6 any revenue from those foreign holdings.

7 (4) Congress should encourage the investment
8 of repatriated monies in domestic interests.

9 **SEC. 3. MODIFICATION AND PERMANENT EXTENSION OF**
10 **THE INCENTIVES TO REINVEST FOREIGN**
11 **EARNINGS IN THE UNITED STATES.**

12 (a) REPATRIATION SUBJECT TO 5 PERCENT TAX
13 RATE.—Subsection (a)(1) of section 965 of the Internal
14 Revenue Code of 1986 is amended by striking “85 per-
15 cent” and inserting “85.7 percent”.

16 (b) PERMANENT EXTENSION TO ELECT REPATRI-
17 ATION.—Subsection (f) of section 965 of the Internal Rev-
18 enue Code of 1986 is amended to read as follows:

19 “(f) ELECTION.—The taxpayer may elect to apply
20 this section to any taxable year only if made on or before
21 the due date (including extensions) for filing the return
22 of tax for such taxable year.”.

23 (c) REPATRIATION INCLUDES CURRENT AND ACCU-
24 MULATED FOREIGN EARNINGS.—

1 (1) IN GENERAL.—Paragraph (1) of section
2 965(b) of the Internal Revenue Code of 1986 is
3 amended to read as follows:

4 “(1) IN GENERAL.—The amount of dividends
5 taken into account under subsection (a) shall not ex-
6 ceed the sum of the current and accumulated earn-
7 ings and profits described in section 959(e)(3) for
8 the year a deduction is claimed under subsection (a),
9 without diminution by reason of any distributions
10 made during the election year, for all controlled for-
11 eign corporations of the United States shareholder.”.

12 (2) CONFORMING AMENDMENTS.—

13 (A) Section 965(b) of such Code is amend-
14 ed by striking paragraphs (2) and (4) and by
15 redesignating paragraph (3) as paragraph (2).

16 (B) Section 965(c) of such Code is amend-
17 ed by striking paragraphs (1) and (2) and by
18 redesignating paragraphs (3), (4), and (5) as
19 paragraphs (1), (2), and (3), respectively.

20 (C) Paragraph (3) of section 965(c) of
21 such Code, as redesignated by subparagraph
22 (B), is amended to read as follows:

23 “(3) CONTROLLED GROUPS.—All United States
24 shareholders which are members of an affiliated
25 group filing a consolidated return under section

1 1501 shall be treated as one United States share-
2 holder.”.

3 (d) CLERICAL AMENDMENTS.—

4 (1) The heading for section 965 of the Internal
5 Revenue Code of 1986 is amended by striking
6 “**TEMPORARY**”.

7 (2) The table of sections for subpart F of part
8 III of subchapter N of chapter 1 of such Code is
9 amended by striking “Temporary dividends” and in-
10 sserting “Dividends”.

11 (e) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to taxable years ending after the
13 date of the enactment of this Act.

○