

103D CONGRESS
1ST SESSION

H. R. 460

To amend the Internal Revenue Code of 1986 to impose a minimum tax on certain foreign or foreign controlled corporations.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 6, 1993

Mr. HUNTER 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 impose a minimum tax on certain foreign or foreign controlled corporations.

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 “Fairness and Equity
5 Tax Act of 1993”.

6 **SEC. 2. MINIMUM TAX ON FOREIGN AND FOREIGN-OWNED**
7 **CORPORATIONS.**

8 (a) IN GENERAL.—Subchapter A of chapter 1 of the
9 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—MINIMUM TAX ON CERTAIN FOREIGN**
 4 **AND FOREIGN-OWNED CORPORATIONS**

“Sec. 59B. Minimum tax on certain foreign and foreign-owned
 corporations.

5 **“SEC. 59B. MINIMUM TAX ON CERTAIN FOREIGN AND FOR-**
 6 **EIGN-OWNED CORPORATIONS.**

7 “(a) IMPOSITION OF TAX.—In the case of a corpora-
 8 tion to which this section applies, there is hereby imposed
 9 (in addition to any other tax imposed by this subtitle) a
 10 tax equal to the excess (if any) of—

11 “(1) 34 percent of the product of—

12 “(A) 9 percent, and

13 “(B) the gross receipts of the taxpayer
 14 from the sale or leasing of property manufac-
 15 tured by the taxpayer or by any foreign person
 16 that is a related party of the taxpayer, over

17 “(2) the aggregate tax imposed under sections
 18 11, 55, and 1201 for such year.

19 “(b) TAXPAYERS TO WHICH SECTION APPLIES.—
 20 This section shall apply to a corporation for the taxable
 21 year if such corporation is—

22 “(1) a domestic corporation which is 25-percent
 23 foreign-owned, or

1 “(2) a foreign corporation engaged in a trade or
2 business within the United States.

3 “(c) DEFINITIONS.—For purposes of this section, the
4 term ‘25-percent foreign-owned’, ‘foreign person’, and ‘re-
5 lated party’ have the respective meanings given such terms
6 by section 6038A(c).”

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

 “Part VIII. Minimum tax on certain foreign and foreign-owned
 corporations.”

10 (c) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to taxable years beginning after
12 December 31, 1992.

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