

1 amended by adding at the end the following new sub-
2 section:

3 “(j) RATE OF TAX ON BONUSES PAID BY BUSI-
4 NESSES RECEIVING TARP FUNDS.—

5 “(1) IN GENERAL.—In the case of any indi-
6 vidual who receives a TARP bonus during the tax-
7 able year, the tax imposed by this section shall be
8 equal to—

9 “(A) the tax which would be imposed by
10 this section if the taxable income of such indi-
11 vidual for the taxable year were reduced (but
12 not below zero) by the TARP bonus of such in-
13 dividual, plus

14 “(B) the amount equal to the TARP
15 bonus.

16 “(2) TARP BONUS.—For purposes of this sub-
17 section—

18 “(A) IN GENERAL.—The term ‘TARP
19 bonus’ means the excess of—

20 “(i) the aggregate payments in the
21 nature of a bonus which are paid by any
22 person if—

23 “(I) such person (or any prede-
24 cessor of such person) received assist-
25 ance under title I of division A the

1 Emergency Economic Stabilization
2 Act of 2008 during the taxable year
3 or any prior taxable year, or

4 “(II) such person acquired a
5 major portion of a trade or business,
6 or the major portion of a separate
7 unit of a trade or business, from any
8 person which received such assistance
9 with respect to such portion or unit,
10 over

11 “(ii) \$1.

12 “(B) CONTROLLED GROUPS.—

13 “(i) IN GENERAL.—For purposes of
14 subparagraph (A), all persons treated as a
15 single employer under subsection (a) or (b)
16 of section 52 or under subsection (m) or
17 (o) of section 414 shall be treated as one
18 person.

19 “(ii) INCLUSION OF FOREIGN COR-
20 PORATIONS.—For purposes of clause (i), in
21 applying subsections (a) and (b) of section
22 52 to this section, section 1563 shall be
23 applied without regard to subsection
24 (b)(2)(C) thereof.”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to taxable years ending after the
3 date of the enactment of this Act.

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