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(Original Signature of Member)

117TH CONGRESS  
2D SESSION

**H. R.** \_\_\_\_\_

To amend the Internal Revenue Code of 1986 to deny foreign tax credits or deductions with respect to taxes paid or accrued to the Russian Federation and the Republic of Belarus, to provide for the denial of certain other tax benefits in connection with the invasion of Ukraine, and for other purposes.

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**IN THE HOUSE OF REPRESENTATIVES**

Mr. GOLDEN introduced the following bill; which was referred to the Committee on \_\_\_\_\_

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**A BILL**

To amend the Internal Revenue Code of 1986 to deny foreign tax credits or deductions with respect to taxes paid or accrued to the Russian Federation and the Republic of Belarus, to provide for the denial of certain other tax benefits in connection with the invasion of Ukraine, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Support Ukraine  
3 Through Our Tax Code Act”.

4 **SEC. 2. DENIAL OF FOREIGN TAX CREDIT, ETC., WITH RE-**  
5 **SPECT TO TAXES PAID OR ACCRUED TO THE**  
6 **RUSSIAN FEDERATION AND THE REPUBLIC**  
7 **OF BELARUS.**

8 (a) IN GENERAL.—Section 901(j)(2) of the Internal  
9 Revenue Code of 1986 is amended by adding at the end  
10 the following new subparagraph:

11 “(C) SPECIAL RULE FOR RUSSIA AND  
12 BELARUS.—

13 “(i) IN GENERAL.—This subsection  
14 shall apply to the Russian Federation and  
15 the Republic of Belarus during the period  
16 described in clause (ii).

17 “(ii) PERIOD OF APPLICATION.—The  
18 period described in this clause with respect  
19 to any country is the period—

20 “(I) beginning on the date that is  
21 90 days after the date of the enact-  
22 ment of this subparagraph, and

23 “(II) ending on the date on  
24 which the resumption of the applica-  
25 tion of the rates of duty set forth in  
26 column 1 of the Harmonized Tariff

1 Schedule of the United States to  
2 products of that country takes effect  
3 pursuant to section 4(b) of the Sus-  
4 pending Normal Trade Relations with  
5 Russia and Belarus Act.”.

6 (b) DEDUCTION DENIED.—

7 (1) IN GENERAL.—Section 275(a) of the Inter-  
8 nal Revenue Code of 1986 is amended by inserting  
9 after paragraph (6) the following new paragraph:

10 “(7) Income, war profits, and excess profits  
11 taxes paid or accrued (or deemed paid under section  
12 960) to any country described in section  
13 901(j)(2)(C)(i) with respect to income attributable  
14 to any period described in section 901(j)(2)(C)(ii).”.

15 (2) CONFORMING AMENDMENT.—Section  
16 901(j)(3) of such Code is amended by adding at the  
17 end the following new sentence: “The preceding sen-  
18 tence shall not apply to any taxes paid or accrued  
19 (or deemed paid under section 960) to any country  
20 described in paragraph (2)(C)(i) with respect to in-  
21 come attributable to any period described in para-  
22 graph (2)(C)(ii).”.

23 (c) SPECIAL TRANSITION RULES FOR TAXPAYERS  
24 EXITING COUNTRIES FOR WHICH FOREIGN TAX CREDIT  
25 IS DENIED.—

1 (1) IN GENERAL.—If—

2 (A) any portion of a taxable year of a tax-  
3 payer occurs during the post-exit period, and

4 (B) such taxpayer is an applicable tax-  
5 payer for such portion of the taxable year with  
6 respect to a foreign country to which section  
7 901(j)(2)(C) of the Internal Revenue Code of  
8 1986 (as added by subsection (a)) applies,

9 then, notwithstanding such section 901(j)(2)(C), sec-  
10 tions 901(j)(1)(B) and 952(a)(5) of such Code shall  
11 not apply to income derived by the taxpayer from  
12 such foreign country during such portion of such  
13 taxable year.

14 (2) APPLICABLE TAXPAYER.—

15 (A) IN GENERAL.—A taxpayer is an appli-  
16 cable taxpayer with respect to a foreign country  
17 for any portion of a taxable year occurring dur-  
18 ing the post-exit period if—

19 (i) the gross receipts of the taxpayer  
20 for such portion derived from such foreign  
21 country (determined under rules substan-  
22 tially similar to the rules of part I of sub-  
23 chapter N of chapter 1 of the Internal  
24 Revenue Code of 1986) are—

1 (I) in the case of the period be-  
2 ginning with the first day of the first  
3 month beginning after the first day of  
4 the post-exit period and ending with  
5 the last day of the first taxable year  
6 ending on or after such date, less  
7 than 15 percent of such gross receipts  
8 derived during the pre-exit period, and

9 (II) in the case of any taxable  
10 year beginning after the first day of  
11 the post-exit period, less than 5 per-  
12 cent of such gross receipts derived  
13 during the pre-exit period, or

14 (ii) the taxpayer meets such other re-  
15 quirements as the Secretary of the Treas-  
16 ury (or the Secretary's delegate) may by  
17 regulation or guidance prescribe to deter-  
18 mine whether a taxpayer has exited from  
19 doing business in such foreign country.

20 (B) RULES FOR DETERMINING GROSS RE-  
21 CEIPTS.—

22 (i) AGGREGATION RULES.—The rules  
23 of section 448(c)(2) shall apply for pur-  
24 poses of this paragraph, except that—

1 (I) in applying section 52(a), the  
2 exception for foreign corporations  
3 under section 1563(b)(2)(C) shall be  
4 disregarded, and

5 (II) in applying section 52(b), the  
6 principles which apply under section  
7 52(a) shall include the modification  
8 under subclause (I) and the term  
9 “trade or business” shall include any  
10 activity treated as a trade or business  
11 under paragraph (5) or (6) of section  
12 469(c) (determined without regard to  
13 the phrase, “To the extent provided in  
14 regulations” in such paragraph (6)).

15 (ii) SPECIAL RULES.—The rules of  
16 section 448(c)(3) shall apply for purposes  
17 of this paragraph, except that in applying  
18 subparagraph (B) thereof to a taxable year  
19 in which the entire taxable year does not  
20 occur during the post-exit period, the por-  
21 tion of the year during such period shall be  
22 treated as a short taxable year for pur-  
23 poses of determining annualized gross re-  
24 ceipts.

1 (iii) RECEIPTS RELATED TO HUMANI-  
2 TARIAN PURPOSES.—For purposes of this  
3 subsection, gross receipts shall not include  
4 amounts—

5 (I) which are covered under gen-  
6 eral or specific licenses of the Office  
7 of Foreign Assets Control of the De-  
8 partment of the Treasury which have  
9 been identified by the Secretary of the  
10 Treasury (or the Secretary’s delegate)  
11 as licenses to which this clause ap-  
12 plies, or

13 (II) which the Secretary of the  
14 Treasury (or the Secretary’s delegate)  
15 has otherwise identified as humani-  
16 tarian in nature.

17 (3) PERIODS.—For purposes of this sub-  
18 section—

19 (A) PRE-EXIT PERIOD.—The term “pre-  
20 exit period” means—

21 (i) except as provided in clause (ii),  
22 the 12-month period ending on December  
23 31, 2021, and

24 (ii) in the case of a taxpayer with a  
25 taxable year which ends on or after No-

1 vember 30, 2021, and before February 24,  
2 2022, such taxable year.

3 (B) POST-EXIT PERIOD.—The term “post-  
4 exit period” means, with respect to any foreign  
5 country, the period during which section  
6 901(j)(2)(C) of the Internal Revenue Code of  
7 1986 (as added by subsection (a)) applies to  
8 such foreign country (determined without re-  
9 gard to this subsection).

10 (d) EFFECTIVE DATE.—The amendments made by  
11 this section shall take effect on the date of the enactment  
12 of this Act.

13 **SEC. 3. DENIAL OF CERTAIN OTHER TAX BENEFITS IN CON-**  
14 **NECTION WITH THE INVASION OF UKRAINE.**

15 (a) IN GENERAL.—In the case of any person to whom  
16 this section applies—

17 (1) section 892(a) of the Internal Revenue Code  
18 of 1986 (relating to income of foreign governments)  
19 shall not apply to income received during the period  
20 this section applies to such person,

21 (2) notwithstanding section 894 of such Code,  
22 such Code shall be applied to such person without  
23 regard to any treaty obligation of the United States  
24 during the period this section applies to such person,



1           (3) section 895 of such Code (relating to in-  
2       come derived by a foreign central bank of issue from  
3       obligations of the United States or from bank depos-  
4       its) shall not apply to any central bank of such per-  
5       son,

6           (4) sections 871(h) (relating to repeal of tax on  
7       interest of nonresident alien individuals received  
8       from certain portfolio debt investments) and 881(c)  
9       (relating to repeal of tax on interest of foreign cor-  
10      porations received from certain portfolio debt invest-  
11      ments) of such Code shall not apply to interest re-  
12      ceived during the period this section applies to such  
13      person,

14          (5) section 864(b) of such Code (relating to  
15      trade or business within the United States) shall be  
16      applied without regard to paragraph (2) thereof (re-  
17      lating to exception for trading in securities or com-  
18      modities) with respect to the period during which  
19      this section applies to such person,

20          (6) section 883 of such Code (relating to exclu-  
21      sion of income from shipping, etc.) shall not apply  
22      to income or earnings received during the period this  
23      section applies to such person, and

24          (7) notwithstanding section 897(l) of such  
25      Code, any trust, corporation, or other organization

1 or arrangement established by such person shall not  
2 be treated as a qualified foreign pension fund under  
3 section 897 of such Code during the period this sec-  
4 tion applies to such person.

5 (b) PERSONS TO WHOM THIS SECTION APPLIES.—

6 (1) IN GENERAL.—This section shall apply to—

7 (A) any person with respect to which sanc-  
8 tions have been imposed by the United States  
9 in relation to the invasion of Ukraine by the  
10 Russian Federation that began on February 24,  
11 2022,

12 (B) the government of any foreign country  
13 to which section 901(j)(2)(C) of the Internal  
14 Revenue Code of 1986 applies, and

15 (C) any other person identified by the Sec-  
16 retary as—

17 (i) a person described in paragraph  
18 (2), and

19 (ii) a person with respect to which the  
20 application of this section would advance  
21 efforts to restore and maintain the peace,  
22 security, stability, sovereignty, and terri-  
23 torial integrity of Ukraine (as determined  
24 by the Secretary in consultation with the  
25 Secretary of State).

1           (2) PERSONS DESCRIBED.—A person is de-  
2       scribed in this paragraph if such person—

3           (A) is a person that—

4               (i) is participating or has participated  
5       in the invasion of Ukraine, and

6               (ii) either—

7                   (I) owns, directly or indirectly, at  
8       least \$1,000,000 of assets in the  
9       United States, or

10               (II) has, for the most recent cal-  
11       endar year, at least \$1,000,000 of in-  
12       come from sources within the United  
13       States,

14       (B) is an entity that—

15               (i) is organized in, or a tax resident  
16       of, a foreign country (including any sub-  
17       division thereof) to which section  
18       901(j)(2)(C) of such Code applies,

19               (ii) is not a controlled foreign corpora-  
20       tion (as defined in section 957 of such  
21       Code), and

22               (iii) has provided or sold goods or  
23       services to a government (including any in-  
24       strumentality thereof) to which section  
25       901(j)(2)(C) of such Code applies,

1 (C) is an executive, board member, or offi-  
2 cer of an entity described in subparagraph (B),  
3 or

4 (D) is a person that is related to any other  
5 person to which this section applies.

6 (3) SPECIAL RULES FOR CONTROLLED ENTI-  
7 TIES.—Under regulations provided by the Sec-  
8 retary—

9 (A) IN GENERAL.—The Secretary may  
10 treat a person controlled (within the meaning of  
11 section 954(d)(3) of the Internal Revenue Code  
12 of 1986) by a person described in paragraph  
13 (1) as a person to whom this section applies  
14 without regard to whether such controlled per-  
15 son has been identified by the Secretary under  
16 paragraph (1)(C).

17 (B) NOTIFICATION.—

18 (i) IN GENERAL.—The Secretary may  
19 require any person treated as a person to  
20 whom this section applies by reason of sub-  
21 paragraph (A) to provide notice to the Sec-  
22 retary and to each withholding agent of  
23 such person that this section applies to  
24 such person.

1 (ii) PENALTIES.—For purposes of ap-  
2 plying part II of subchapter B of chapter  
3 68 of the Internal Revenue Code of  
4 1986—

5 (I) any notice required to be pro-  
6 vided to the Secretary under clause (i)  
7 shall be treated as an information re-  
8 turn described in section 6724(d)(1)  
9 of such Code, and

10 (II) any notice required to be  
11 provided to a withholding agent under  
12 clause (i) shall be treated as a payee  
13 statement described in section  
14 6724(d)(2) of such Code.

15 (c) PERIOD FOR WHICH THIS SECTION APPLIES.—  
16 For purposes of this section—

17 (1) IN GENERAL.—This section applies to any  
18 person described in subsection (b) during the pe-  
19 riod—

20 (A) except as provided in paragraph (2),  
21 beginning on the date that is 30 days after the  
22 later of—

23 (i) the date of the enactment of this  
24 Act, or

1 (ii) the date such person is first de-  
2 scribed in subsection (b), and

3 (B) ending on the date such person is no  
4 longer described in subsection (b).

5 (2) SPECIAL RULES FOR PORTFOLIO INTER-  
6 EST.—

7 (A) IN GENERAL.—For purposes of apply-  
8 ing subsection (a)(4), except as provided in sub-  
9 paragraph (B), the period described in para-  
10 graph (1) shall begin on the later of—

11 (i) the date that is 180 days (60 days  
12 in the case of obligations issued on or after  
13 the date of the enactment of this Act)  
14 after the date of enactment of this Act, or

15 (ii) 60 days after the date such person  
16 first becomes described in subsection (b).

17 (B) SIGNIFICANT MODIFICATIONS.—If,  
18 after the date of the enactment of this Act,  
19 there is a significant modification of an obliga-  
20 tion issued before the date of the enactment of  
21 this Act, then, for purposes of applying sub-  
22 section (a)(4), the period described in para-  
23 graph (1) shall begin on the later of—

24 (i) the earlier of—

1 (I) the day that is 60 days after  
2 the date of such significant modifica-  
3 tion, or

4 (II) the day that is 180 days  
5 after the date of the enactment of this  
6 Act, or

7 (ii) the date that is 60 days after the  
8 date such person first become described in  
9 subsection (b).

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

11 (1) SECRETARY.—The term “Secretary” means  
12 the Secretary of the Treasury.

13 (2) RELATED.—A person (hereinafter in this  
14 paragraph referred to as the “related person”) is re-  
15 lated to any person if—

16 (A) the related person bears a relationship  
17 to such person which is—

18 (i) specified in section 267(b) or  
19 707(b)(1) of the Internal Revenue Code of  
20 1986, or

21 (ii) specified in the regulations pre-  
22 scribed under subsection (f), or

23 (B) the related person and such person are  
24 engaged in trades or businesses under common  
25 control (within the meaning of subsections (a)

1           and (b) of section 52 of such Code, determined  
2           after the application of the rules of section  
3           2(c)(2)(B)(i).

4       (e) REPORTS.—Not later than 1 year after the date  
5 of the enactment of this Act, and annually thereafter, the  
6 Secretary shall submit to Congress a report detailing the  
7 parameters, processes, and justifications by which a per-  
8 son is identified by the Secretary under (b)(1)(C) of this  
9 section.

10       (f) REGULATIONS.—The Secretary shall prescribe  
11 such regulations, rules, or other guidance as the Secretary  
12 determines necessary or appropriate to carry out the pur-  
13 poses of this section.

14 **SEC. 4. SUSPENSION OF TAX INFORMATION EXCHANGES.**

15       If there is a tax convention (within the meaning of  
16 section 6105(c)(2) of the Internal Revenue Code of 1986)  
17 providing for the exchange of tax information between the  
18 United States and any foreign country to which section  
19 901(j)(2)(C) of such Code (as added by section 2(a)) ap-  
20 plies, the Secretary of the Treasury (or the Secretary's  
21 delegate) shall not exchange such tax information with  
22 such foreign country during the period that such section  
23 applies to such foreign country.



1 **SEC. 5. TREATY OBLIGATIONS.**

2       This Act and the amendments made by this Act shall  
3 be applied without regard to any treaty obligation of the  
4 United States.