

103<sup>D</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 220

To amend the Internal Revenue Code of 1986 to reinstate the tax on interest received by foreigners on certain portfolio investments.

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IN THE HOUSE OF REPRESENTATIVES

JANUARY 5, 1993

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

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## A BILL

To amend the Internal Revenue Code of 1986 to reinstate the tax on interest received by foreigners on certain portfolio investments.

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

3       That (a) the following provisions of the Internal Revenue  
4       Code of 1986 are hereby repealed:

5               (1) Section 871(h) (relating to repeal of tax on  
6       interest of nonresident alien individuals received  
7       from certain portfolio debt investments).

8               (2) Section 881(c) (relating to repeal of tax on  
9       interest of foreign corporations received from certain  
10      portfolio debt instruments).

1           (3) Section 1441(c)(9) (relating to exception for  
2 interest income from certain portfolio debt invest-  
3 ments).

4           (b)(1) Paragraph (1) of section 871(a) of such Code  
5 is amended by striking out “Except as provided in sub-  
6 section (h), there” and inserting in lieu thereof “There”.

7           (2) Subsection (a) of section 881 of such Code is  
8 amended by striking out “Except as provided in subsection  
9 (c), there” and inserting in lieu thereof “There”.

10          (3) Paragraph (2) of section 864(c) of such Code is  
11 amended by striking out “section 871(a)(1), section  
12 871(h), section 881(a), or section 881(c)” and inserting  
13 in lieu thereof “section 871(a)(1) or 881(a)”.

14          (4) Subsection (b) of section 2105 of such Code is  
15 amended—

16           (A) by inserting “and” at the end of paragraph  
17 (1),

18           (B) by striking out “and” at the end of para-  
19 graph (2),

20           (C) by striking out paragraph (3), and

21           (D) by striking out “AND CERTAIN OTHER  
22 DEBT OBLIGATIONS” in the subsection heading.

23          (5) The last sentence of section 1442(a) of such Code  
24 is amended by striking out “, the references in section

1 1441(c)(9) to sections 871(h) and 871(h)(3) shall be  
2 treated as referring to sections 881(c) and 881(c)(3)’’.

3 (c) The amendments made by this section shall apply  
4 to interest received after the date of the enactment of this  
5 Act with respect to obligations issued after such date.

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