

111TH CONGRESS  
1ST SESSION

# H. R. 1598

To amend the Internal Revenue Code of 1986 to impose a higher rate of tax on bonuses paid by businesses receiving TARP funds.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 18, 2009

Ms. MOORE of Wisconsin 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 impose a higher rate of tax on bonuses paid by businesses receiving TARP funds.

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 AIG Key Executives  
5 Bonus Accountability and Capture (TAKE BACK) Act”.

6 **SEC. 2. HIGHER RATE OF TAX ON BONUSES PAID BY BUSI-**  
7 **NESSES RECEIVING TARP FUNDS.**

8 (a) IN GENERAL.—Section 1 of the Internal Revenue  
9 Code of 1986 (relating to tax imposed on individuals) is

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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