

113TH CONGRESS
2^D SESSION

H. R. 4589

To amend the Internal Revenue Code of 1986 to exclude dividends from controlled foreign corporations from the definition of personal holding company income for purposes of the personal holding company rules.

IN THE HOUSE OF REPRESENTATIVES

MAY 7, 2014

Mr. REICHERT (for himself and Mr. McDERMOTT) 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 exclude dividends from controlled foreign corporations from the definition of personal holding company income for purposes of the personal holding company rules.

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 “Personal Holding Com-
5 pany Tax Parity and Reinvestment Act”.

1 **SEC. 2. EXCLUSION OF DIVIDENDS FROM CONTROLLED**
2 **FOREIGN CORPORATIONS FROM THE DEFINI-**
3 **TION OF PERSONAL HOLDING COMPANY IN-**
4 **COME FOR PURPOSES OF THE PERSONAL**
5 **HOLDING COMPANY RULES.**

6 (a) **IN GENERAL.**—Paragraph (1) of section 543(a)
7 of the Internal Revenue Code of 1986 is amended—

8 (1) by redesignating subparagraphs (C) and
9 (D) as subparagraphs (D) and (E), respectively, and

10 (2) by inserting after subparagraph (B) the fol-
11 lowing:

12 “(C) dividends received by a United States
13 shareholder (as defined in section 951(b)) from
14 a controlled foreign corporation (as defined in
15 section 957(a)),”.

16 (b) **EFFECTIVE DATE.**—The amendments made by
17 this Act shall apply to taxable years ending on or after
18 the date of the enactment of this Act.

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