

116TH CONGRESS  
2D SESSION

# H. R. 8805

To amend the Internal Revenue Code of 1986 to modify rules related to rents received by real estate investment trusts from related parties.

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## IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 20, 2020

Mr. SCHNEIDER (for himself and Mr. LAHOOD) 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 modify rules related to rents received by real estate investment trusts from related parties.

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 “Retail Revitalization  
5 Act of 2020”.

6 **SEC. 2. MODIFICATION OF RULES RELATED TO RENTS RE-**  
7 **CEIVED BY REAL ESTATE INVESTMENT**  
8 **TRUSTS FROM RELATED PARTIES.**

9 (a) INCREASE IN PERMISSIBLE OWNERSHIP PER-  
10 CENTAGE.—Section 856(d)(2)(B) of the Internal Revenue

1 Code of 1986 is amended by striking “10 percent or  
2 more” each place it appears and inserting “more than 50  
3 percent”.

4 (b) MODIFICATION OF RULES FOR CONSTRUCTIVE  
5 OWNERSHIP OF STOCK.—Section 856(d)(5) of such Code  
6 is amended—

7 (1) by striking “‘10 percent’ shall be sub-  
8 stituted for ‘50 percent’” in subparagraph (A) and  
9 inserting “‘more than 50 percent’ shall be sub-  
10 stituted for ‘50 percent or more’”,

11 (2) by striking “25 percent or more” in sub-  
12 paragraph (B) and inserting “more than 50 per-  
13 cent”, and

14 (3) by striking “and” at the end of subpara-  
15 graph (A), by striking the period at the end of sub-  
16 paragraph (B) and inserting “, and”, and by adding  
17 at the end the following new subparagraph:

18 “(C) section 318(a)(5)(C) shall be applied  
19 by substituting ‘paragraph (2) or (3)’ for ‘para-  
20 graph (2)’.”.

21 (c) MODIFICATION OF RULES FOR TAXABLE REIT  
22 SUBSIDIARIES.—Section 856(d)(8)(A)(i) of such Code is  
23 amended by striking “90 percent” and inserting “50 per-  
24 cent”.

1           (d) **EFFECTIVE DATE.**—The amendments 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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