

119TH CONGRESS
1ST SESSION

H. R. 365

To amend the Internal Revenue Code of 1986 to modify the residence and source rules to provide for economic recovery in the possessions of the United States.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 13, 2025

Ms. PLASKETT 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 modify the residence and source rules to provide for economic recovery in the possessions of the United States.

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 “Territorial Tax Parity
5 Act of 2025”.

6 **SEC. 2. MODIFICATION TO SOURCE RULES INVOLVING POS-**
7 **SESSIONS.**

8 (a) IN GENERAL.—Section 937(b)(2) of the Internal
9 Revenue Code of 1986 is amended by inserting “, but only

1 to the extent such income is attributable to an office or
2 fixed place of business within the United States (deter-
3 mined under the rules of section 864(c)(5))” before the
4 period at the end.

5 (b) SOURCE RULES FOR PERSONAL PROPERTY
6 SALES.—Section 865(j)(3) of such Code is amended by
7 inserting “, 932,” after “931”.

8 (c) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to taxable years beginning after
10 December 31, 2024.

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