

119TH CONGRESS
1ST SESSION

S. 327

To amend the Internal Revenue Code of 1986 to deny any foreign tax credit or deduction with respect to taxes paid or accrued to the Russian Federation.

IN THE SENATE OF THE UNITED STATES

JANUARY 30, 2025

Ms. CORTEZ MASTO (for herself and Mr. CORNYN) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to deny any foreign tax credit or deduction with respect to taxes paid or accrued to the Russian Federation.

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 “Hindering Oppressive
5 Nations from Obtaining Revenue Act” or “HONOR Act”.

1 **SEC. 2. DENIAL OF FOREIGN TAX CREDIT WITH RESPECT**
 2 **TO THE RUSSIAN FEDERATION.**

3 (a) IN GENERAL.—Section 901(j)(2) of the Internal
 4 Revenue Code of 1986 is amended by adding at the end
 5 the following new subparagraph:

6 “(C) SPECIAL RULE FOR RUSSIA.—

7 “(i) IN GENERAL.—This subsection
 8 shall apply to the Russian Federation dur-
 9 ing the period described in clause (ii).

10 “(ii) PERIOD OF APPLICATION.—The
 11 period described in this clause with respect
 12 to any country is the period—

13 “(I) beginning on the date that is
 14 30 days after the date of the enact-
 15 ment of this subparagraph, and

16 “(II) ending on the date on
 17 which the resumption of the applica-
 18 tion of the rates of duty set forth in
 19 column 1 of the Harmonized Tariff
 20 Schedule of the United States to
 21 products of that country takes effect
 22 pursuant to section 4(b) of the Sus-
 23 pending Normal Trade Relations with
 24 Russia and Belarus Act.”.

25 (b) DEDUCTION DENIED.—Section 901(j)(3) of such
 26 Code is amended by adding at the end the following new

1 sentence: “The preceding sentence shall not apply to any
2 tax of any country to which paragraph (2)(C) applies.”.

3 (c) EFFECTIVE DATES.—

4 (1) IN GENERAL.—Except as provided in para-
5 graph (2), the amendments made by this section
6 shall take effect on the date of the enactment of this
7 Act.

8 (2) DEDUCTION LIMITATION.—The amendment
9 made by subsection (b) shall apply to taxes paid or
10 accrued (or deemed paid or accrued under section
11 960 of the Internal Revenue Code of 1986) after the
12 date that is 90 days after the date of the enactment
13 of this Act.

14 (3) NONAPPLICATION OF TREATY RULES.—This
15 section and the amendments made by this section
16 shall be applied without regard to any treaty obliga-
17 tion of the United States.

○