

119TH CONGRESS
1ST SESSION

S. 369

To amend the Internal Revenue Code of 1986 to deny certain green energy tax benefits to companies associated with foreign adversaries.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 3, 2025

Mr. SCOTT of Florida 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 certain green energy tax benefits to companies associated with foreign adversaries.

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 “No Official Giveaways
5 Of Taxpayers’ Income to Oppressive Nations Act” or the
6 “NO GOTION Act”.

1 **SEC. 2. DENIAL OF GREEN ENERGY TAX BENEFITS TO COM-**
 2 **PANIES ASSOCIATED WITH FOREIGN ADVER-**
 3 **SARIES.**

4 (a) IN GENERAL.—Chapter 77 of the Internal Rev-
 5 enue Code of 1986 is amended by adding at the end the
 6 following new section:

7 **“SEC. 7531. DENIAL OF GREEN ENERGY TAX BENEFITS TO**
 8 **COMPANIES ASSOCIATED WITH FOREIGN AD-**
 9 **VERSARIES.**

10 “(a) IN GENERAL.—In the case of any disqualified
 11 company, this title shall be applied without regard to sec-
 12 tions 30C, 40, 40A, 40B, 45, 45Q, 45U, 45V, 45W, 45X,
 13 45Y, 45Z, 48, 48C, 48E, 179D, 6426(c), 6426(d),
 14 6426(e), and 6427(e).

15 “(b) DISQUALIFIED COMPANY.—

16 “(1) IN GENERAL.—

17 “(A) DEFINITION.—For purposes of this
 18 section, the term ‘disqualified company’ means
 19 any entity described in subparagraphs (B)
 20 through (D).

21 “(B) FOREIGN ADVERSARY PARTIES.—The
 22 entities described in this subparagraph consist
 23 of the following:

24 “(i) The government of a foreign ad-
 25 versary, any agency or government instru-
 26 mentality of a foreign adversary, or any

entity which is directly or indirectly owned, controlled, or directed by any such government, agency, or government instrumentality.

“(ii) Any entity organized under the laws of a foreign adversary (or any political subdivision thereof) or whose headquarters is located within a foreign adversary.

“(C) OWNED, CONTROLLED, DIRECTED, OR INFLUENCED BY FOREIGN ADVERSARY PARTIES.—The entities described in this subparagraph consist of the following:

“(i) Any entity for which, on any date during the taxable year, not less than 10 percent of the outstanding equity interests (by value, voting, governance, board appointment, or similar rights or influence) are held directly or indirectly by, or on behalf of, 1 or more of the entities described in subparagraph (B), including through interests in co-investment vehicles, joint ventures, or similar arrangements.

“(ii) Any entity which is directly or indirectly controlled, directed, or materially

1 influenced by any entity described in sub-
 2 paragraph (B).

3 “(iii) Any entity for which the actions,
 4 management, ownership, or operations of
 5 such entity are subject to the direct influ-
 6 ence of an entity described in subpara-
 7 graph (B).

8 “(iv) Any entity for which an interest
 9 in such entity is held by an entity de-
 10 scribed in subparagraph (B) (referred to in
 11 this clause as the ‘beneficiary firm’) as a
 12 derivative financial instrument or through
 13 a contractual arrangement between the
 14 beneficiary firm and such entity, including
 15 any financial instrument or other contract
 16 between the beneficiary firm and the entity
 17 which seeks to replicate any financial re-
 18 turn with respect to such entity or interest
 19 in such entity.

20 “(D) DEBT OR OTHER ARRANGEMENTS
 21 WITH FOREIGN ADVERSARY PARTIES.—

22 “(i) IN GENERAL.—An entity is de-
 23 scribed in this subparagraph if, as a result
 24 of any prohibited obligation or arrange-
 25 ment—

1 “(I) the actions, management, or
 2 operations of such entity are subject
 3 to the direct or indirect influence of 1
 4 or more entities described in subpara-
 5 graph (B) or (C), or

6 “(II) such entity provides a sub-
 7 stantial benefit to 1 or more entities
 8 described in subparagraph (B) or (C).

9 “(ii) PROHIBITED OBLIGATION OR AR-
 10 RANGEMENT.—For purposes of this sub-
 11 paragraph, the term ‘prohibited obligation
 12 or arrangement’ means any—

13 “(I) debt,

14 “(II) lease or sublease arrange-
 15 ment,

16 “(III) management or operating
 17 arrangement,

18 “(IV) contract manufacturing ar-
 19 rangement,

20 “(V) license or sublicense agree-
 21 ment, or

22 “(VI) financial derivative.

23 “(iii) EXCEPTION.—

24 “(I) IN GENERAL.—For purposes
 25 of clause (i)(II), the purchase of

1 equipment or manufacturing inputs in
 2 an arm’s length transaction shall not,
 3 in and of itself, be deemed to provide
 4 a substantial benefit.

5 “(II) ARM’S LENGTH.—For pur-
 6 poses of this clause, the term ‘arm’s
 7 length’ has the meaning given in sec-
 8 tion 1.482–1 of title 26, Code of Fed-
 9 eral Regulations.

10 “(E) OTHER DEFINITIONS.—For purposes
 11 of this paragraph—

12 “(i) CONTROL.—The term ‘control’
 13 has the meaning given in section 800.208
 14 of title 31, Code of Federal Regulations
 15 (as in effect on the date of enactment of
 16 the No Official Giveaways Of Taxpayers’
 17 Income to Oppressive Nations Act).

18 “(ii) FOREIGN ADVERSARY.—The
 19 term ‘foreign adversary’ has the meaning
 20 given the term ‘covered nation’ in section
 21 4872(d)(2) of title 10, United States Code,
 22 except that such term shall also include—

23 “(I) the Republic of Cuba, and

24 “(II) the Boliverian Republic of
 25 Venezuela during any period of time

1 during which Nicholas Maduro is
2 President of the Republic.

3 “(2) ADMINISTRATION.—The Secretary may
4 issue such guidance as is necessary to carry out the
5 purposes of this section, including establishment of
6 rules for—

7 “(A) implementation of paragraph
8 (1)(C)(i) for determination of whether the per-
9 centage requirements with respect to out-
10 standing equity interests have been satisfied in
11 the case of an entity for which the stock of such
12 entity is traded on an established securities
13 market in the United States or any foreign
14 country, and

15 “(B) preventing entities from evading, cir-
16 cumventing, or abusing the application of the
17 requirements under this section.”.

18 (b) CLERICAL AMENDMENT.—The table of sections
19 for chapter 77 of such Code is amended by adding at the
20 end the following new item:

“Sec. 7531. Denial of green energy tax benefits to companies associated with
foreign adversaries.”.

21 (c) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to taxable years beginning after
23 the date of the enactment of this Act.

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