

“(A) the securities of which are registered under section 12 of such Act (15 U.S.C. 78l), or
“(B) that is required to file reports under section 15(d) of such Act (15 U.S.C. 78o(d)).”

(C) APPLICATION TO ALL CURRENT AND FORMER OFFICERS, DIRECTORS, AND EMPLOYEES.—

(1) IN GENERAL.—Section 162(m) of the Internal Revenue Code of 1986, as amended by subsection (a), is amended—

(A) by striking “covered employee” each place it appears in paragraphs (1) and (4) and inserting “covered individual”, and

(B) by striking “such employee” each place it appears in subparagraphs (A) and (E) of paragraph (4) and inserting “such individual”.

(2) COVERED INDIVIDUAL.—Paragraph (3) of section 162(m) of such Code is amended to read as follows:

“(3) COVERED INDIVIDUAL.—For purposes of this subsection, the term ‘covered individual’ means any individual who is an officer, director, or employee of the taxpayer or a former officer, director, or employee of the taxpayer.”

(3) CONFORMING AMENDMENTS.—

(A) Section 48D(b)(3)(A) of such Code is amended by inserting “(as in effect for taxable years beginning before January 1, 2016)” after “section 162(m)(3)”.

(B) Section 409A(b)(3)(D)(ii) of such Code is amended by inserting “(as in effect for taxable years beginning before January 1, 2016)” after “section 162(m)(3)”.

(d) SPECIAL RULE FOR REMUNERATION PAID TO BENEFICIARIES, ETC.—Paragraph (4) of section 162(m), as amended by subsection (a), is amended by adding at the end the following new subparagraph:

“(F) SPECIAL RULE FOR REMUNERATION PAID TO BENEFICIARIES, ETC.—Remuneration shall not fail to be applicable employee remuneration merely because it is includible in the income of, or paid to, a person other than the covered individual, including after the death of the covered individual.”

(e) REGULATORY AUTHORITY.—

(1) IN GENERAL.—Section 162(m) of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

“(7) REGULATIONS.—The Secretary may prescribe such guidance, rules, or regulations, including with respect to reporting, as are necessary to carry out the purposes of this subsection.”

(2) CONFORMING AMENDMENT.—Paragraph (6) of section 162(m) of such Code is amended by striking subparagraph (H).

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2015.

SEC. ____ . MODIFICATIONS TO RULES RELATING TO INVERTED CORPORATIONS.

(a) IN GENERAL.—Subsection (b) of section 7874 of the Internal Revenue Code of 1986 is amended to read as follows:

“(b) INVERTED CORPORATIONS TREATED AS DOMESTIC CORPORATIONS.—

“(1) IN GENERAL.—Notwithstanding section 7701(a)(4), a foreign corporation shall be treated for purposes of this title as a domestic corporation if—

“(A) such corporation would be a surrogate foreign corporation if subsection (a)(2) were applied by substituting ‘80 percent’ for ‘60 percent’, or

“(B) such corporation is an inverted domestic corporation.

“(2) INVERTED DOMESTIC CORPORATION.—For purposes of this subsection, a foreign corporation shall be treated as an inverted domestic corporation if, pursuant to a plan (or a series of related transactions)—

“(A) the entity completes after November 30, 2015, the direct or indirect acquisition of—

“(i) substantially all of the properties held directly or indirectly by a domestic corporation, or

“(ii) substantially all of the assets of, or substantially all of the properties constituting a trade or business of, a domestic partnership, and

“(B) after the acquisition, more than 50 percent of the stock (by vote or value) of the entity is held—

“(i) in the case of an acquisition with respect to a domestic corporation, by former shareholders of the domestic corporation by reason of holding stock in the domestic corporation, or

“(ii) in the case of an acquisition with respect to a domestic partnership, by former partners of the domestic partnership by reason of holding a capital or profits interest in the domestic partnership.

(3) EXCEPTION FOR CORPORATIONS WITH SUBSTANTIAL BUSINESS ACTIVITIES IN FOREIGN COUNTRY OF ORGANIZATION.—A foreign corporation described in paragraph (2) shall not be treated as an inverted domestic corporation if after the acquisition the expanded affiliated group which includes the entity has substantial business activities in the foreign country in which or under the law of which the entity is created or organized when compared to the total business activities of such expanded affiliated group. For purposes of subsection (a)(2)(B)(iii) and the preceding sentence, the term ‘substantial business activities’ shall have the meaning given such term under regulations in effect on November 30, 2015, except that the Secretary may issue regulations increasing the threshold percent in any of the tests under such regulations for determining if business activities constitute substantial business activities for purposes of this paragraph.”

(b) CONFORMING AMENDMENTS.—

(1) Clause (i) of section 7874(a)(2)(B) of such Code is amended by striking “after March 4, 2003,” and inserting “after March 4, 2003, and before December 1, 2015.”

(2) Subsection (c) of section 7874 of such Code is amended—

(A) in paragraph (2)—

(i) by striking “subsection (a)(2)(B)(ii)” and inserting “subsections (a)(2)(B)(ii) and (b)(2)(B)”, and

(ii) by inserting “or (b)(2)(A)” after “(a)(2)(B)(i)” in subparagraph (B),

(B) in paragraph (3), by inserting “or (b)(2)(B), as the case may be,” after “(a)(2)(B)(ii)”,

(C) in paragraph (5), by striking “subsection (a)(2)(B)(ii)” and inserting “subsections (a)(2)(B)(ii) and (b)(2)(B)”, and

(D) in paragraph (6), by inserting “or inverted domestic corporation, as the case may be,” after “surrogate foreign corporation”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after November 30, 2015.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. MCCAIN. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on December 3, 2015, at 9:30 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MCCAIN. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during

the session of the Senate on December 3, 2015, at 10 a.m. in room SD-366 of the Dirksen Senate Office Building.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. MCCAIN. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on December 3, 2015, at 9 a.m., to conduct a closed briefing entitled “The U.S. Role in the Middle East.”

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

Mr. MCCAIN. Mr. President, I ask unanimous consent that the Committee on Homeland Security and Governmental Affairs be authorized to meet during the session of the Senate on December 3, 2015, at 10 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

STUDENT SUCCESS ACT— CONFERENCE REPORT

Mr. MCCONNELL. Mr. President, I ask the Chair to lay before the Senate the conference report accompanying S. 1177.

The PRESIDING OFFICER. The Chair lays before the Senate the conference report to accompany S. 1177, which will be stated by title.

The senior assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1177), to reauthorize the Elementary and Secondary Education Act of 1965 to ensure that every child achieves, having met, have agreed that the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment and the House agree to the same, signed by a majority of the conferees on the part of both Houses.

Thereupon, the Senate proceeded to consider the conference report.

(The conference report is printed in the House proceedings of the Record of November 30, 2015.)

CLOTURE MOTION

Mr. MCCONNELL. Mr. President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The senior assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the conference report to accompany S. 1177, an act to reauthorize the Elementary and Secondary Education Act of 1965 to ensure that every child achieves.

Mitch McConnell, Lamar Alexander, Mike Rounds, Deb Fischer, Dan Sullivan, Lisa Murkowski, Orrin G. Hatch, Shelley Moore Capito, Pat Roberts, Chuck Grassley, Richard Burr, Cory