

115TH CONGRESS
1ST SESSION

H. R. 2136

To amend the Internal Revenue Code of 1986 to provide an exception from certain reporting requirements with respect to the foreign accounts of individuals who live abroad.

IN THE HOUSE OF REPRESENTATIVES

APRIL 25, 2017

Mrs. CAROLYN B. MALONEY of New York 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 provide an exception from certain reporting requirements with respect to the foreign accounts of individuals who live abroad.

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. EXCEPTION TO CERTAIN REPORTING REQUIRE-**
4 **MENTS APPLICABLE TO FOREIGN FINANCIAL**
5 **INSTITUTIONS WITH RESPECT TO CERTAIN**
6 **INDIVIDUALS WHO LIVE ABROAD.**

7 (a) IN GENERAL.—Section 1471(d)(1) of the Inter-
8 nal Revenue Code of 1986 is amended by redesignating

1 subparagraph (C) as subparagraph (D) and by inserting
2 after subparagraph (B) the following new subparagraph:

3 “(C) EXCEPTION FOR CERTAIN INDIVID-
4 UALS WHO LIVE ABROAD.—

5 “(i) IN GENERAL.—Unless the foreign
6 financial institution elects to not have this
7 subparagraph apply, such term shall not
8 include any depository account maintained
9 by such financial institution if each holder
10 of such account is—

11 “(I) a natural person, and

12 “(II) a qualified individual with
13 respect to a foreign country in which
14 such foreign financial institution is li-
15 censed to conduct business.

16 “(ii) QUALIFIED INDIVIDUAL.—For
17 purposes of this subparagraph, an indi-
18 vidual is a qualified individual with respect
19 to any foreign country if such individual
20 would be a qualified individual under sec-
21 tion 911(d) if the only foreign country
22 taken into account under such section were
23 such foreign country.”.

24 (b) EFFECTIVE DATE.—

1 (1) IN GENERAL.—The amendments made by
2 this section shall take effect on the date of the en-
3 actment of this Act.

4 (2) MODIFICATION OF AGREEMENTS.—At the
5 request of any foreign financial institution, the Sec-
6 retary of the Treasury (or the Secretary’s delegate)
7 shall, as promptly as is practicable, modify any
8 agreement which is in effect between the Secretary
9 and such foreign financial institution under section
10 1471 of the Internal Revenue Code of 1986 to take
11 into account the amendments made by this section.

12 **SEC. 2. EXCEPTION FOR CERTAIN INDIVIDUALS WHO LIVE**
13 **ABROAD TO CERTAIN REPORTING REQUIRE-**
14 **MENTS APPLICABLE TO INDIVIDUALS WITH**
15 **FOREIGN FINANCIAL ASSETS.**

16 (a) IN GENERAL.—Section 6038D of the Internal
17 Revenue Code of 1986 is amended by redesignating sub-
18 section (h) as subsection (i) and by inserting after sub-
19 section (g) the following new subsection:

20 “(h) EXCEPTION FOR CERTAIN FINANCIAL AC-
21 COUNTS OF INDIVIDUALS LIVING ABROAD.—

22 “(1) IN GENERAL.—In the case of a qualified
23 individual with respect to any foreign country, sub-
24 section (a) shall not apply to such individual for any
25 taxable year if such individual would not be required

1 to provide any information under such subsection for
2 such taxable year if the qualified foreign accounts in
3 which such individual holds an interest were not
4 taken into account as specified foreign financial as-
5 sets for purposes of this section.

6 “(2) QUALIFIED FOREIGN ACCOUNT.—For pur-
7 poses of this subsection, the term ‘qualified foreign
8 account’ means, with respect to any qualified indi-
9 vidual, any account described in subsection (b)(1)
10 which is maintained by a financial institution which
11 is licensed to conduct business in the foreign country
12 with respect to which such individual is a qualified
13 individual.

14 “(3) QUALIFIED INDIVIDUAL.—For purposes of
15 this subsection, an individual is a qualified indi-
16 vidual with respect to any foreign country if such in-
17 dividual would be a qualified individual under sec-
18 tion 911(d) if the only foreign country taken into ac-
19 count under such section were such foreign coun-
20 try.”.

21 (b) 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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