

106TH CONGRESS
1ST SESSION

H. R. 1127

To amend the Internal Revenue Code of 1986 to exclude income from the transportation of oil and gas by pipeline from subpart F income.

IN THE HOUSE OF REPRESENTATIVES

MARCH 16, 1999

Mr. MCCRERY (for himself and Mr. WATKINS) 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 exclude income from the transportation of oil and gas by pipeline from subpart F income.

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. CLARIFICATION OF TREATMENT OF PIPELINE**
4 **TRANSPORTATION INCOME.**

5 (a) IN GENERAL.—Section 954(g)(1) of the Internal
6 Revenue Code of 1986 (defining foreign base company oil
7 related income) is amended by striking “or” at the end
8 of subparagraph (A), by striking the period at the end
9 of subparagraph (B) and inserting “, or”, and by inserting
10 after subparagraph (B) the following new subparagraph:

1 “(C) the pipeline transportation of oil or
2 gas within such foreign country.”

3 (b) EFFECTIVE DATE.—The amendment made by
4 this section shall apply to taxable years of controlled for-
5 eign corporations beginning after December 31, 1999, and
6 taxable years of United States shareholders with or within
7 which such taxable years of controlled foreign corporations
8 end.

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