

106TH CONGRESS  
1ST SESSION

# S. 1116

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

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IN THE SENATE OF THE UNITED STATES

MAY 25, 1999

Mr. NICKLES introduced the following bill; which was read twice and referred to the Committee on Finance

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## 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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