

108TH CONGRESS
2D SESSION

H. R. 4825

To amend the Internal Revenue Code of 1986 to impose an additional tax on taxable income attributable to contracts with the United States for goods and services for the war in Iraq.

IN THE HOUSE OF REPRESENTATIVES

JULY 13, 2004

Mr. OWENS 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 impose an additional tax on taxable income attributable to contracts with the United States for goods and services for the war in Iraq.

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 “Excess War Profits
5 Act of 2004”.

6 **SEC. 2. FINDINGS.**

7 The Congress hereby finds:

1 (1) A special tax on the profits of the Nation's
2 largest corporations would be in accordance with
3 previous precedents: World War II and Korea.

4 (2) While large corporations continue to net bil-
5 lions of dollars from the War in Iraq, the Bush Ad-
6 ministration continues to cut funding for vital do-
7 mestic programs.

8 (3) Large corporations are using broadly word-
9 ed contracts to repair Iraq's petroleum infrastruc-
10 ture and gain a huge head start over potential com-
11 petitors in redeveloping the country's vast, outdated
12 oil industry.

13 (4) Five large corporations, Halliburton, Bech-
14 tel Group, Fluor Corp, Parsons Corp, and the Louis
15 Berger Group, all benefited from the biggest recon-
16 struction project since the Second World War.

17 (5) Since the War in Iraq began, Halliburton
18 and its subsidiaries have received more than \$2 bil-
19 lion from no bid contracts.

20 (6) To date, Halliburton has spent only 10 per-
21 cent of the funds appropriated by the Federal Gov-
22 ernment to rebuild the Iraqi infrastructure.

1 **SEC. 3. ADDITIONAL TAX ON PROFITS FROM IRAQ WAR**
 2 **CONTRACTS.**

3 (a) GENERAL RULE.—Subchapter A of chapter 1 of
 4 the Internal Revenue Code of 1986 (relating to determina-
 5 tion of tax liability) is amended by adding at the end the
 6 following new part:

7 **“PART VII—ADDITIONAL TAX ON PROFITS FROM**
 8 **IRAQ WAR CONTRACTS**

“Sec. 59B. Imposition of additional tax.

9 **“SEC. 59B. IMPOSITION OF ADDITIONAL TAX.**

10 “(a) GENERAL RULE.—There is hereby imposed (in
 11 addition to any other tax imposed by this chapter) a tax
 12 equal to 15 percent of so much of taxable income as is
 13 attributable to any contract with the United States which
 14 is specifically for the provision of goods or services in con-
 15 nection with the war in Iraq.

16 “(b) EXCEPTION FOR UNITED STATES PER-
 17 SONNEL.—The tax imposed by this section shall not apply
 18 to amounts received by any member of the Armed Forces
 19 of the United States or any other employee of the United
 20 States for services as such a member or employee.

21 “(c) ADDITIONAL TAX NOT TREATED AS TAX FOR
 22 CERTAIN PURPOSES.—The tax imposed by this section
 23 shall not be treated as a tax imposed by this chapter for
 24 purposes of determining—

1 “(1) the amount of any credit allowable under
2 this chapter, or

3 “(2) the amount of the minimum tax imposed
4 by section 55.”.

5 (b) CLERICAL AMENDMENT.—The table of parts for
6 subchapter A of chapter 1 of such Code is amended by
7 adding at the end thereof the following new item:

 “Part VII. Additional tax on profits from Iraq war contracts.”.

8 (c) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to taxable years ending after the
10 date of the enactment of this Act.

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