

Calendar No. 327

109TH CONGRESS
1ST SESSION**H. R. 4388**

IN THE SENATE OF THE UNITED STATES

DECEMBER 12, 2005

Received; read the first time

DECEMBER 13, 2005

Read the second time and placed on the calendar

AN ACT

To amend the Internal Revenue Code of 1986 to extend
certain expiring provisions, and for other purposes.

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, ETC.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Tax Revision Act of 2005”.

6 (b) AMENDMENT OF 1986 CODE.—Except as other-
7 wise expressly provided, whenever in this Act an amend-
8 ment or repeal is expressed in terms of an amendment
9 to, or repeal of, a section or other provision, the reference

1 shall be considered to be made to a section or other provi-
 2 sion of the Internal Revenue Code of 1986.

3 (c) TABLE OF CONTENTS.—The table of contents for
 4 this Act is as follows:

Sec. 1. Short title, etc.

Sec. 2. Election to include combat pay as earned income for purposes of earned
 income credit.

Sec. 3. Cover over of tax on distilled spirits.

Sec. 4. Authority for undercover operations.

Sec. 5. Disclosures of certain tax return information.

Sec. 6. Deduction allowable with respect to income attributable to domestic pro-
 duction activities in Puerto Rico.

Sec. 7. Technical corrections to regional value-content methods for rules of ori-
 gin under Public Law 109–53.

5 **SEC. 2. ELECTION TO INCLUDE COMBAT PAY AS EARNED**
 6 **INCOME FOR PURPOSES OF EARNED INCOME**
 7 **CREDIT.**

8 (a) IN GENERAL.—Subclause (II) of section
 9 32(c)(2)(B)(vi) is amended by striking “January 1, 2006”
 10 and inserting “January 1, 2007”.

11 (b) EFFECTIVE DATE.—The amendment made by
 12 subsection (a) shall apply to taxable years beginning after
 13 December 31, 2005.

14 **SEC. 3. COVER OVER OF TAX ON DISTILLED SPIRITS.**

15 (a) IN GENERAL.—Paragraph (1) of section 7652(f)
 16 (relating to limitation on cover over of tax on distilled spir-
 17 its) is amended by striking “January 1, 2006” and insert-
 18 ing “January 1, 2007”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) shall apply to articles brought into the
3 United States after December 31, 2005.

4 **SEC. 4. AUTHORITY FOR UNDERCOVER OPERATIONS.**

5 Paragraph (6) of section 7608(c) (relating to applica-
6 tion of section) is amended by striking “January 1, 2006”
7 both places it appears and inserting “January 1, 2007”.

8 **SEC. 5. DISCLOSURES OF CERTAIN TAX RETURN INFORMATI-**
9 **ON.**

10 (a) DISCLOSURES TO FACILITATE COMBINED EM-
11 PLOYMENT TAX REPORTING.—

12 (1) IN GENERAL.—Subparagraph (B) of section
13 6103(d)(5) (relating to termination) is amended by
14 striking “December 31, 2005” and inserting “De-
15 cember 31, 2006”.

16 (2) EFFECTIVE DATE.—The amendment made
17 by paragraph (1) shall apply to disclosures after De-
18 cember 31, 2005.

19 (b) DISCLOSURES RELATING TO TERRORIST ACTIVI-
20 TIES.—

21 (1) IN GENERAL.—Clause (iv) of section
22 6103(i)(3)(C) and subparagraph (E) of section
23 6103(i)(7) are each amended by striking “December
24 31, 2005” and inserting “December 31, 2006”.

1 (2) EFFECTIVE DATE.—The amendments made
2 by paragraph (1) shall apply to disclosures after De-
3 cember 31, 2005.

4 (c) DISCLOSURES RELATING TO STUDENT LOANS.—

5 (1) IN GENERAL.—Subparagraph (D) of section
6 6103(l)(13) (relating to termination) is amended by
7 striking “December 31, 2005” and inserting “De-
8 cember 31, 2006”.

9 (2) EFFECTIVE DATE.—The amendment made
10 by paragraph (1) shall apply to requests made after
11 December 31, 2005.

12 **SEC. 6. DEDUCTION ALLOWABLE WITH RESPECT TO IN-**
13 **COME ATTRIBUTABLE TO DOMESTIC PRO-**
14 **DUCTION ACTIVITIES IN PUERTO RICO.**

15 (a) IN GENERAL.—Subsection (d) of section 199 (re-
16 lating to definitions and special rules) is amended by re-
17 designating paragraph (7) as paragraph (8) and by insert-
18 ing after paragraph (6) the following new paragraph:

19 “(7) TREATMENT OF ACTIVITIES IN PUERTO
20 RICO.—

21 “(A) IN GENERAL.—In the case of any
22 taxpayer with gross receipts for any taxable
23 year from sources within the Commonwealth of
24 Puerto Rico, if all of such receipts are taxable
25 under section 1 or 11 for such taxable year,

then for purposes of determining the domestic production gross receipts of such taxpayer for such taxable year under subsection (c)(4), the term ‘United States’ shall include the Commonwealth of Puerto Rico.

“(B) TERMINATION.—Subparagraph (A) shall not apply to any taxable year beginning after December 31, 2006.”.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to taxable years beginning after December 31, 2005.

SEC. 7. TECHNICAL CORRECTIONS TO REGIONAL VALUE-CONTENT METHODS FOR RULES OF ORIGIN UNDER PUBLIC LAW 109–53.

Section 203(c) of the Dominican Republic–Central America–United States Free Trade Agreement Implementation Act (Public Law 109–53; 19 U.S.C. 4033(c)) is amended as follows:

(1) In paragraph (2)(A), by striking all that follows “the following build-down method:” and inserting the following:

$$“RVC = \frac{AV - VNM}{AV} \times 100”.$$

(2) In paragraph (3)(A), by striking all that follows “the following build-up method:” and inserting the following:

$${}^{\text{“RVC}} = \frac{\text{VOM}}{\text{AV}} \times 100^{\text{”}}.$$

1 (3) In paragraph (4)(A), by striking all that
 2 follows “the following net cost method:” and insert-
 3 ing the following:

$${}^{\text{“RVC}} = \frac{\text{NC-VNM}}{\text{NC}} \times 100^{\text{”}}.$$

Passed the House of Representatives December 7,
 2005.

Attest:

KAREN L. HAAS,

Clerk.

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