

112TH CONGRESS
2D SESSION

H. R. 5906

To amend the Internal Revenue Code of 1986 to repeal the excise tax
on medical devices.

IN THE HOUSE OF REPRESENTATIVES

JUNE 7, 2012

Mr. POLIS (for himself, Ms. MCCOLLUM, Mr. OWENS, Mr. ROSS of Arkansas,
Mr. CAPUANO, Mrs. DAVIS of California, Mr. SHERMAN, and Mr. KIND)
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 repeal
the excise tax on medical devices.

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. REPEAL OF MEDICAL DEVICE EXCISE TAX.**

4 (a) IN GENERAL.—Chapter 32 of the Internal Rev-
5 enue Code of 1986 is amended by striking subchapter E.

6 (b) CONFORMING AMENDMENTS.—

7 (1) Subsection (a) of section 4221 of such Code
8 is amended by striking the last sentence.

1 (2) Paragraph (2) of section 6416(b) of such
2 Code is amended by striking the last sentence.

3 (c) CLERICAL AMENDMENT.—The table of sub-
4 chapters for chapter 32 of such Code is amended by strik-
5 ing the item relating to subchapter E.

6 **SEC. 2. LIMITATION ON SECTION 199 DEDUCTION ATTRIB-**
7 **UTABLE TO OIL, NATURAL GAS, OR PRIMARY**
8 **PRODUCTS THEREOF.**

9 (a) DENIAL OF DEDUCTION.—Paragraph (4) of sec-
10 tion 199(c) of the Internal Revenue Code of 1986 is
11 amended by adding at the end the following new subpara-
12 graph:

13 “(E) SPECIAL RULE FOR CERTAIN OIL
14 AND GAS INCOME.—In the case of any taxpayer
15 who is a major integrated oil company (as de-
16 fined in section 167(h)(5)(B)) for the taxable
17 year, the term ‘domestic production gross re-
18 ceipts’ shall not include gross receipts from the
19 production, transportation, or distribution of
20 oil, natural gas, or any primary product (within
21 the meaning of subsection (d)(9)) thereof.”.

22 (b) EFFECTIVE DATE.—The amendment made by
23 this section shall apply to taxable years beginning after
24 December 31, 2011.

1 **SEC. 3. PROHIBITION ON USING LAST-IN, FIRST-OUT AC-**
2 **COUNTING FOR MAJOR INTEGRATED OIL**
3 **COMPANIES.**

4 (a) IN GENERAL.—Section 472 of the Internal Rev-
5 enue Code of 1986 is amended by adding at the end the
6 following new subsection:

7 “(h) MAJOR INTEGRATED OIL COMPANIES.—Not-
8 withstanding any other provision of this section, a major
9 integrated oil company (as defined in section
10 167(h)(5)(B)) may not use the method provided in sub-
11 section (b) in inventorying of any goods.”.

12 (b) EFFECTIVE DATE AND SPECIAL RULE.—

13 (1) IN GENERAL.—The amendment made by
14 subsection (a) shall apply to taxable years beginning
15 after December 31, 2011.

16 (2) CHANGE IN METHOD OF ACCOUNTING.—In
17 the case of any taxpayer required by the amendment
18 made by this section to change its method of ac-
19 counting for its first taxable year beginning after
20 December 31, 2011—

21 (A) such change shall be treated as initi-
22 ated by the taxpayer,

23 (B) such change shall be treated as made
24 with the consent of the Secretary of the Treas-
25 ury, and

1 (C) the net amount of the adjustments re-
2 quired to be taken into account by the taxpayer
3 under section 481 of the Internal Revenue Code
4 of 1986 shall be taken into account ratably over
5 a period (not greater than 8 taxable years) be-
6 ginning with such first taxable year.

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