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113TH CONGRESS
2D SESSION

H. R. 5251

To amend the Internal Revenue Code of 1986 to exempt foreign pensions from dispositions of investment in United States real property.

IN THE HOUSE OF REPRESENTATIVES

JULY 29, 2014

Mr. OWENS introduced the following bill; which was referred to the Committee on Ways and Means

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A BILL

To amend the Internal Revenue Code of 1986 to exempt foreign pensions from dispositions of investment in United States real property.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Incentivizing Foreign Investment to Upgrade America's Infrastructure Act of 2014''.

SEC. 2. EXEMPTION OF FOREIGN PENSIONS FROM DISPOSITIONS OF INVESTMENT IN UNITED STATES REAL PROPERTY.

(a) IN GENERAL.—Section 897 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

"(k) SPECIAL RULE FOR FOREIGN PENSIONS.—

"(1) IN GENERAL.—Subsection (a) shall not apply in the case of a qualified foreign pension fund.

"(2) QUALIFIED FOREIGN PENSION FUND.—For purposes of this subsection, the term 'qualified foreign pension fund' means any trust, corporation, or other organization or arrangement—

"(A) which is created or organized outside of the United States,

"(B) which is established to provide retirement or pension benefits to participants or beneficiaries that are current or former employees (or persons designated by such employees) of one or more employers in consideration for services rendered,

"(C) which does not have a single participant or beneficiary with a right to more than 5 percent of its assets,

"(D) which is subject to government regulation and provides annual information reporting about its beneficiaries to the relevant tax authorities in the country in which it is established or operates, and

"(E) with respect to which, under the laws of the country in which it is established or operates—

"(i) contributions to such trust, corporation, organization, or arrangement which would otherwise be subject to tax under such laws are deductible or excluded from the gross income of such entity or taxed at a reduced rate, or

"(ii) taxation of any investment income of such trust, corporation, organization, or arrangement is deferred or such income is taxed at a reduced rate.

"(3) REGULATIONS.—The Secretary may prescribe such regulations as are necessary to carry out the purposes of this subsection.".

(b) WITHHOLDING.—Paragraph (3) of section 1445(f) of such Code is amended by adding at the end the following: "Such term shall not include a qualified foreign pension fund (as defined in section 897(k)).".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to dispositions of United States real property interests more than 90 days after the date of the enactment of this Act.

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