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113TH CONGRESS
2D SESSION

H. R. 5883

To lower the Federal tax on the earnings of American companies with foreign operations.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 11, 2014

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

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A BILL

To lower the Federal tax on the earnings of American companies with foreign operations.

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 ''Fair Tax for Repatriation Act''.

SEC. 2. LOWERING OF FEDERAL TAX ON EARNINGS OF OVERSEAS AMERICAN COMPANIES.

(a) FINDINGS.—The Congress finds that American companies with foreign operations are accumulating earnings totaling as much as one trillion dollars, not repatriated to the United States due to corporate income taxes as high as 35 percent. As a result of this penalty, U.S. companies invest their earnings in foreign countries with little to no consequence. However, if invested internally, these funds could spur the development of U.S. jobs, capital assets, research, and more. Whereas most developed countries, such as Germany, the United Kingdom, and France all have a tax on corporate profits earned internationally ranging from 0 percent to 2 percent, the United States has not followed this lead. Therefore, the Congress must adopt legislation lowering the Federal tax on earnings of American companies with foreign operations to 5 percent. Implementation of this change has the ability to raise Federal tax revenue by $50 billion, helping to fund the trillion dollar stimulus.

(b) AMERICAN JOBS CREATION ACT OF 2004 ELIMINATION.—The American Jobs Creation Act of 2004 allows American companies with foreign operations a one-time tax break on earnings, decreasing the Federal tax from 35 percent to 5.25 percent. The ''Fair Tax for Repatriation Act'' would lower this tax from 5.25 percent to 5 percent permanently.

SEC. 3. ADMINISTRATION OF THE FAIR TAX FOR REPATRIATION ACT.

The United States Department of the Treasury will be responsible for administrating and enforcing the Federal tax on earnings of American companies with foreign operations. The Federal tax for U.S. corporations earning profits abroad will be a flat 5 percent.

SEC. 4. ENACTMENT DATE.

This bill shall go into effect 90 days after passage.

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