

114TH CONGRESS
1ST SESSION

H. R. 2225

To amend the Internal Revenue Code of 1986 to allow a temporary dividends received deduction for repatriated foreign earnings, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 1, 2015

Mr. MEADOWS introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Internal Revenue Code of 1986 to allow a temporary dividends received deduction for repatriated foreign earnings, 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.**

4 This Act may be cited as the “Prioritizing Reinvest-
5 ment in Infrastructure and Military while Eliminating
6 Debt Act of 2015” or the “PRIMED Act”.

1 **SEC. 2. DIVIDENDS RECEIVED DEDUCTION FOR REPATRI-**
 2 **ATED FOREIGN EARNINGS.**

3 (a) PERIOD FOR REPATRIATION.—Paragraph (1) of
 4 section 965(a) of the Internal Revenue Code of 1986 is
 5 amended by adding at the end the following: “Only cash
 6 dividends received during the period beginning after the
 7 date of the enactment of the Prioritizing Reinvestment in
 8 Infrastructure and Military while Eliminating Debt Act of
 9 2015, and ending on December 31, 2016, shall be taken
 10 into account under subsection (a).”.

11 (b) EXTENSION.—Subsection (f) of section 965 of
 12 such Code is amended to read as follows:

13 “(f) ELECTION.—The taxpayer may elect to apply
 14 this section to any taxable year that includes the period
 15 described in subsection (a)(1). Such election may be made
 16 only for one taxable year that includes such period and
 17 only if made on or before the due date (including exten-
 18 sions) for filing the return of tax for such taxable year.”.

19 (c) CONFORMING AMENDMENTS.—

20 (1) THRESHOLD PERIOD.—Section 965 of such
 21 Code is amended by striking “June 30, 2003” each
 22 place it occurs and inserting “June 30, 2014”.

23 (2) INDEBTEDNESS DETERMINATION DATE.—
 24 Subparagraph (B) of section 965(b)(3) of such Code
 25 is amended by striking “October 3, 2004” and in-
 26 serting “May 1, 2015”.

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years ending after the
3 date of the enactment of this Act.

4 **SEC. 3. DEBT REDUCTION.**

5 (a) IN GENERAL.—In the case of any taxes which—

6 (1) are received in the Treasury during a fiscal
7 year for which there is not Federal budget deficit,
8 and

9 (2) are attributable to eligible 965 dividends re-
10 ceived by corporations which are United States
11 shareholders,

12 an amount equal to $\frac{1}{3}$ of such taxes, reduced by $\frac{1}{3}$ of
13 the amount of the foreign tax credit allowed under section
14 901 which is attributable to the non-deductible portion of
15 such eligible 965 dividends, shall be used to reduce the
16 Federal debt (in such manner as the Secretary of the
17 Treasury considers appropriate).

18 (b) DEFINITIONS.—For purposes of subsection (a),
19 the terms “eligible 965 dividend” and “non-deductible
20 portion” shall have the respective meanings given such
21 terms in section 9503(b)(7) of the Internal Revenue Code
22 of 1986.

1 **SEC. 4. HIGHWAY TRUST FUND.**

2 Section 9503(b) of the Internal Revenue Code of
3 1986 is amended by adding at the end the following new
4 paragraph:

5 “(7) OTHER TRANSFERS TO HIGHWAY TRUST
6 FUND.—

7 “(A) IN GENERAL.—There are hereby ap-
8 propriated to the Highway Trust Fund
9 amounts equivalent to the excess of—

10 “(i) $\frac{1}{3}$ of the taxes received in the
11 Treasury which are attributable to eligible
12 965 dividends received by corporations
13 which are United States shareholders, over

14 “(ii) $\frac{1}{3}$ of the amount of the foreign
15 tax credit allowed under section 901 which
16 is attributable to the non-deductible por-
17 tion of such eligible 965 dividends.

18 “(B) DEFINITIONS.—For purposes of this
19 subsection—

20 “(i) ELIGIBLE 965 DIVIDEND.—The
21 term ‘eligible 965 dividend’ means any
22 amount received from a controlled foreign
23 corporation for which a deduction is al-
24 lowed under section 965, as determined
25 based on estimates made by the Secretary.

1 “(ii) NON-DEDUCTIBLE PORTION.—

2 The term ‘non-deductible portion’ means
 3 the excess of the amount of any eligible
 4 965 dividend over the deductible portion
 5 (as defined in section 965(d)(3)) of such
 6 amount.”.

7 **SEC. 5. ADJUSTMENT TO DEFENSE DISCRETIONARY SPEND-**
 8 **ING LIMITATIONS.**

9 (a) IN GENERAL.—On the date that is 30 days after
 10 the date of enactment of this Act, and on February 1 of
 11 each of calendar years 2016 through 2020, the revised se-
 12 curity category in section 251(c) of the Balanced Budget
 13 and Emergency Deficit Control Act of 1985 for fiscal year
 14 2016 and the fiscal year beginning on September 1st of
 15 such applicable calendar year, respectively, shall be ad-
 16 justed by the amount described in subsection (b).

17 (b) ADJUSTMENT AMOUNT.—The adjustment pro-
 18 vided in subsection (a) is equal to—

19 (1) $\frac{1}{3}$ of the taxes received in the Treasury
 20 during the most recently ended calendar year which
 21 are attributable to eligible 965 dividends received by
 22 corporations which are United States shareholders,
 23 over

24 (2) $\frac{1}{3}$ of the amount of the foreign tax credit
 25 allowed during the most recently ended calendar

1 year under section 901 which is attributable to the
2 non-deductible portion of such eligible 965 dividends.

3 (b) DEFINITIONS.—For purposes of subsection (b),
4 the terms “eligible 965 dividend” and “non-deductible
5 portion” shall have the respective meanings given such
6 terms in section 9503(b)(7) of the Internal Revenue Code
7 of 1986.

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