

114TH CONGRESS
2D SESSION

H. R. 5550

To amend the Internal Revenue Code of 1986 to impose an excise tax on United States dollar clearing done for the benefit of Iran or Iranian persons.

IN THE HOUSE OF REPRESENTATIVES

JUNE 21, 2016

Mr. ROSKAM (for himself, Mr. BOUSTANY, Mr. TIBERI, Mr. BUCHANAN, Mr. SAM JOHNSON of Texas, Mr. REICHERT, Mr. YOUNG of Indiana, Mr. NUNES, and Mrs. BLACK) 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 impose an excise tax on United States dollar clearing done for the benefit of Iran or Iranian persons.

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 “No Dollars for Aya-
5 tollahs Act”.

1 **SEC. 2. EXCISE TAX ON DOLLAR CLEARING TRANSACTIONS**
 2 **WITH RESPECT TO IRAN.**

3 (a) IN GENERAL.—Subtitle D of the Internal Rev-
 4 enue Code of 1986 is amended by adding at the end the
 5 following new chapter:

6 **“CHAPTER 50A—CLEARING**
 7 **TRANSACTIONS WITH RESPECT TO IRAN**

“Sec. 5000D. Imposition of tax on dollar clearing transactions with respect to
 Iran.

8 **“SEC. 5000D. IMPOSITION OF TAX ON DOLLAR CLEARING**
 9 **TRANSACTIONS WITH RESPECT TO IRAN.**

10 “(a) IMPOSITION OF TAX.—There is hereby imposed
 11 on any United States person who clears or transfers
 12 United States dollars for the direct or indirect benefit of
 13 the Government of Iran or any Iranian person a tax equal
 14 to 100 percent of the dollar amount cleared or transferred.

15 “(b) TRANSACTION BY CERTAIN RELATED ENTI-
 16 TIES.—If any United States dollars are so cleared or
 17 transferred by—

18 “(1) a foreign member of a United States per-
 19 son’s worldwide affiliated group, or

20 “(2) a foreign person who—

21 “(A) is not a member of a United States
 22 person’s worldwide affiliated group, but

1 “(B) has a correspondent account or pay-
2 able-through account for or with such a mem-
3 ber or a United States person,
4 such dollars shall be treated for purposes of subsection
5 (a) as being cleared or transferred by the United States
6 person. The preceding sentence shall apply with respect
7 to a foreign person described in paragraph (2) only if the
8 member or United States person, as the case may be, for
9 or with whom the account is maintained knew or had rea-
10 son to know such dollars were being so cleared or trans-
11 ferred.

12 “(c) THRESHOLD LIMITATION.—

13 “(1) IN GENERAL.—The tax imposed by sub-
14 section (a) shall only apply with respect to a United
15 States person for a calendar year to the extent the
16 dollar amounts so cleared or transferred during the
17 calendar year by such United States person (includ-
18 ing any such amounts treated under subsection (b)
19 as cleared or transferred by such person) exceed
20 \$1,000,000.

21 “(2) MEMBERS OF GROUP.—For purposes of
22 paragraph (1), amounts cleared or transferred by a
23 non-foreign member of such person’s worldwide af-
24 filiated group shall be treated as cleared or trans-
25 ferred by such person.

1 “(d) DEFINITIONS.—For purposes of this section—

2 “(1) WORLDWIDE AFFILIATED GROUP.—The
3 term ‘worldwide affiliated group’ means an affiliated
4 group as defined in section 1504(a), determined—

5 “(A) by substituting ‘more than 50 per-
6 cent’ for ‘at least 80 percent’ each place it ap-
7 pears, and

8 “(B) without regard to section 1504(b).

9 A partnership or any other entity (other than a cor-
10 poration) shall be treated as a member of a world-
11 wide affiliated group if such entity is controlled
12 (within the meaning of section 954(d)(3)) by mem-
13 bers of such group (including any entity treated as
14 a member of such group by reason of this sentence).

15 “(2) CORRESPONDENT ACCOUNT.—The term
16 ‘correspondent account’ means an account estab-
17 lished to receive deposits from, or make payments on
18 behalf of, a financial institution or handle other fi-
19 nancial transactions related to such institution.

20 “(3) PAYABLE-THROUGH ACCOUNT.—The term
21 ‘payable-through account’ means an account, includ-
22 ing a transaction account (as defined in section
23 19(b)(1)(C) of the Federal Reserve Act), opened at
24 a depository institution by another financial institu-
25 tion by means of which the financial institution per-

1 mits its customers to engage, either directly or
2 through a subaccount, in banking activities usually
3 in connection with the business of banking.

4 “(4) ACCOUNT.—The term ‘account’ means a
5 formal banking or business relationship established
6 to provide regular services, dealings, and other fi-
7 nancial transactions and includes a demand deposit,
8 savings deposit, or other transaction or asset ac-
9 count and a credit account or other extension of
10 credit.

11 “(5) FINANCIAL INSTITUTION.—The term ‘fi-
12 nancial institution’ shall have the meaning given
13 such term under section 5312(a)(2) of title 31,
14 United States Code.

15 “(6) IRANIAN PERSON.—The term ‘Iranian per-
16 son’ means—

17 “(A) any person in Iran,

18 “(B) any citizen or resident of Iran,

19 “(C) any foreign partnership or foreign
20 corporation which is organized or operated in
21 Iran (or is a member of such a person’s world-
22 wide affiliated group),

23 “(D) any foreign trust if—

1 “(i) a court within Iran is able to ex-
2 ercise primary supervision over the admin-
3 istration of the trust, and

4 “(ii) one or more persons described in
5 subparagraph (A) or (B) have the author-
6 ity to control all substantial decisions of
7 the trust, and

8 “(E) any foreign estate a beneficiary of
9 which is a person described in subparagraph
10 (A).

11 “(e) SPECIAL RULES.—

12 “(1) CERTAIN LICENSED TRANSACTIONS.—This
13 section shall not apply in the case of a transaction
14 authorized under part 535, 560, or 561 of title 31,
15 Code of Federal Regulations, as in effect on June 1,
16 2016.

17 “(2) HUMANITARIAN ASSISTANCE.—This sec-
18 tion shall not apply in the case of any transaction
19 permitted—

20 “(A) under section 413 of the Iran Threat
21 Reduction and Syria Human Rights Act of
22 2012, or

23 “(B) under a license issued under the
24 International Emergency Economic Powers Act
25 (50 U.S.C. 1701 et seq.) if—

1 “(i) such transaction relates solely
2 to—

3 “(I) the provision of agricultural
4 commodities, food, medicine, or med-
5 ical devices to Iran, or

6 “(II) the provision of humani-
7 tarian assistance to the people of
8 Iran, and

9 “(ii) the President submits a copy of
10 the license to the Committee on Ways and
11 Means of the House of Representatives
12 and the Committee on Finance of the Sen-
13 ate, the Committee on Financial Services
14 of the House of Representatives and the
15 Committee on Banking, Housing, and
16 Urban Affairs of the Senate, and the Com-
17 mittee on Foreign Affairs of the House of
18 Representatives and the Committee on
19 Foreign Relations of the Senate.

20 “(3) INTELLIGENCE ACTIVITIES.—This section
21 shall not apply in the case of intelligence activities
22 subject to reporting requirements under title V of
23 the National Security Act of 1947 (50 U.S.C. 3091
24 et seq.).

1 “(4) JOINT AND SEVERAL LIABILITY.—If more
2 than 1 person is liable under subsection (a) or (b)
3 with respect to a dollar clearing or transferring
4 transaction, all such persons shall be jointly and sev-
5 erally liable under such subsection with respect to
6 such transaction.”.

7 (b) CLERICAL AMENDMENT.—The table of chapters
8 for subtitle D of such Code is amended by adding at the
9 end the following new item:

 “CHAPTER 50A. CLEARING TRANSACTIONS WITH RESPECT TO IRAN”.

10 (c) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to transactions after June 21,
12 2016.

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