

116TH CONGRESS
1ST SESSION

S. 2998

To amend the Internal Revenue Code of 1986 to clarify that payment of taxes on deferred foreign income in installments shall not prevent credit or refund of overpayments or increase estimated taxes.

IN THE SENATE OF THE UNITED STATES

DECEMBER 9, 2019

Mr. BRAUN (for himself, Ms. SINEMA, and Mr. ROBERTS) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to clarify that payment of taxes on deferred foreign income in installments shall not prevent credit or refund of overpayments or increase estimated taxes.

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 “Tax Payment Clari-
5 fication Act”.

1 **SEC. 2. INSTALLMENTS NOT TO PREVENT CREDIT OR RE-**
 2 **FUND OF OVERPAYMENTS OR INCREASE ES-**
 3 **TIMATED TAXES.**

4 (a) IN GENERAL.—Section 965(h) of the Internal
 5 Revenue Code of 1986 is amended by adding at the end
 6 the following new paragraph:

7 “(7) INSTALLMENTS NOT TO PREVENT CREDIT
 8 OR REFUND OF OVERPAYMENTS OR INCREASE ESTI-
 9 MATED TAXES.—If an election is made under para-
 10 graph (1) to pay the net tax liability under this sec-
 11 tion in installments—

12 “(A) no installment of such net tax liabil-
 13 ity shall—

14 “(i) in the case of a request for credit
 15 or refund, be taken into account as a li-
 16 ability for purposes of determining whether
 17 an overpayment exists for purposes of sec-
 18 tion 6402 before the date on which such
 19 installment is due, or

20 “(ii) for purposes of sections 6425,
 21 6654, and 6655, be treated as a tax im-
 22 posed by section 1, section 11, or sub-
 23 chapter L of chapter 1, and

24 “(B) the first sentence of section 6403
 25 shall not apply with respect to any such install-
 26 ment.”.

1 (b) LIMITATION ON PAYMENT OF INTEREST.—In the
2 case of the portion of any overpayment which exists by
3 reason of the application of section 965(h)(7) of the Inter-
4 nal Revenue Code of 1986 (as added by this section)—

5 (1) if credit or refund of such portion is made
6 on or before the date which is 45 days after the date
7 of the enactment of this Act, no interest shall be al-
8 lowed or paid under section 6611 of such Code with
9 respect to such portion; and

10 (2) if credit or refund of such portion is made
11 after the date which is 45 days after the date of the
12 enactment of this Act, no interest shall be allowed
13 or paid under section 6611 of such Code with re-
14 spect to such portion for any period before the date
15 of the enactment of this Act.

16 (c) EFFECTIVE DATE.—The amendment made by
17 subsection (a) shall take effect as if included in section
18 14103 of Public Law 115–97.

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