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Tax Shelter Transparency and Enforcement Act

Congress: 108 (2003–2005, Ended)

Chamber: Senate

Policy Area: Taxation

Introduced: Nov 24, 2003

Current Status: Read twice and referred to the Committee on Finance. (text of measure as introduced: CR S15819-15827

Latest Action: Read twice and referred to the Committee on Finance. (text of measure as introduced: CR S15819-15827) (Nov 24, 2003)

Official Text: <https://www.congress.gov/bill/108th-congress/senate-bill/1937>

Sponsor

Name: Sen. Baucus, Max [D-MT]

Party: Democratic • State: MT • Chamber: Senate

Cosponsors (11 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Conrad, Kent [D-ND]	D · ND		Nov 24, 2003
Sen. Daschle, Thomas A. [D-SD]	D · SD		Nov 24, 2003
Sen. Graham, Bob [D-FL]	D · FL		Nov 24, 2003
Sen. Grassley, Chuck [R-IA]	R · IA		Nov 24, 2003
Sen. Bingaman, Jeff [D-NM]	D · NM		Nov 25, 2003
Sen. Harkin, Tom [D-IA]	D · IA		Nov 25, 2003
Sen. Jeffords, James M. [I-VT]	I · VT		Nov 25, 2003
Sen. Lieberman, Joseph I. [D-CT]	D · CT		Nov 25, 2003
Sen. Breaux, John B. [D-LA]	D · LA		Dec 9, 2003
Sen. Kerry, John F. [D-MA]	D · MA		Dec 9, 2003
Sen. Rockefeller, John D., IV [D-WV]	D · WV		Dec 9, 2003

Committee Activity

Committee	Chamber	Activity	Date
Finance Committee	Senate	Referred To	Nov 24, 2003

Subjects & Policy Tags

Policy Area:

Taxation

Related Bills

Bill	Relationship	Last Action
108 HR 3650	Identical bill	Nov 25, 2003: Referred to the House Committee on Ways and Means.

Tax Shelter Transparency and Enforcement Act - Amends the Internal Revenue Code to revise provisions concerning tax shelters, including to: (1) set forth rules for use in applying the economic substance doctrine, including defining economic substance; (2) impose penalties on individuals who fail to include on any return or statement required information regarding reportable transactions; (3) impose a penalty of 40 percent (20 percent, if there has been adequate disclosure) of the understatement for a noneconomic substance transaction understatement; (4) direct a material advisor, with respect to any reportable transaction, to make a return describing the transaction, its potential tax benefits, and other information prescribed by the Secretary; (5) penalize an individual for making a statement with respect to certain tax statements (deductions, credits, and etc.) that an individual knows is false or fraudulent as to any material matter at the rate of 50 percent of the gross income derived from such activity; (6) authorize appropriations for the purpose of carrying out tax law enforcement to combat tax avoidance transactions and other tax shelters, including the use of offshore financial accounts to conceal taxable income; (7) permit the Secretary of the Treasury, in prescribing regulations governing the tax liability of an affiliated group of corporations making a consolidated return, to prescribe rules applicable to corporations filing consolidated returns that are different from other provisions concerning consolidated returns that would apply if such corporations filed separate returns; (8) require corporate tax returns to include a declaration by the chief executive officer (CEO), under penalty of perjury, that the return complies with the Internal Revenue Code and that the CEO was provided reasonable assurance of the accuracy of all material aspects of the return; (9) limit the basis of certain corporate property acquired by the issuance of stock or as paid-in surplus and for which there is the importation of net built-in loss to the property's fair market value immediately after the transfer of such property; and (10) repeal part V (Financial Asset Securitization Investment Trusts) of subchapter M (Regulated Investment Companies and Real Estate Investment Trusts).

Actions Timeline

- **Nov 24, 2003:** Introduced in Senate
- **Nov 24, 2003:** Sponsor introductory remarks on measure. (CR S15816-15819)
- **Nov 24, 2003:** Read twice and referred to the Committee on Finance. (text of measure as introduced: CR S15819-15827)