

S 681

Stop Tax Haven Abuse Act

Congress: 110 (2007–2009, Ended)

Chamber: Senate

Policy Area: Taxation

Introduced: Feb 17, 2007

Current Status: Read twice and referred to the Committee on Finance.

Latest Action: Read twice and referred to the Committee on Finance. (Feb 17, 2007)

Official Text: https://www.congress.gov/bill/110th-congress/senate-bill/681

Sponsor

Name: Sen. Levin, Carl [D-MI]

Party: Democratic • State: MI • Chamber: Senate

Cosponsors (4 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Coleman, Norm [R-MN]	R · MN		Feb 17, 2007
Sen. Obama, Barack [D-IL]	D · IL		Feb 17, 2007
Sen. Whitehouse, Sheldon [D-RI]	D · RI		Jul 11, 2007
Sen. Salazar, Ken [D-CO]	D · CO		Aug 1, 2007

Committee Activity

Committee	Chamber	Activity	Date
Finance Committee	Senate	Referred To	Feb 17, 2007

Subjects & Policy Tags

Policy Area:

Taxation

Related Bills

Bill	Relationship	Last Action
110 HR 2136	Related bill	Jun 4, 2007: Referred to the Subcommittee on Courts, the Internet, and Intellectual Property.

Stop Tax Haven Abuse Act - Amends Internal Revenue Code provisions relating to tax shelter activities to: (1) establish legal presumptions against the validity of transactions involving offshore secrecy jurisdictions (i.e., foreign tax havens identified in this Act and by the Secretary of the Treasury); (2) impose restrictions on foreign jurisdictions, financial institutions, or international transactions that are of primary money laundering concern or that impede U.S. tax enforcement; (3) increase the period for Internal Revenue Service review of tax returns involving offshore secrecy jurisdictions; (4) require tax withholding agents and financial institutions to report certain information about beneficial owners of foreign-owned financial accounts and accounts established in offshore secrecy jurisdictions; and (5) disallow tax advisor opinions validating transactions in offshore secrecy jurisdictions.

Amends the Securities Exchange Act of 1934 and other federal enactments to impose a penalty for failure to disclose holdings or transactions involving a foreign entity.

Requires the Secretary of the Treasury to publish a final rule requiring unregistered investment companies, including hedge funds or private equity funds, to establish anti-money laundering programs and to submit suspicious activity reports.

Modifies requirements for certain third party summonses used to obtain information in tax investigations that do not identify the person with respect to whose liability the summons is issued (John Doe summons).

Increases penalties for promoting abusive tax shelters and for aiding and abetting the understatement of tax liability.

Prohibits tax advisor contingent fee agreements for obtaining tax savings or benefits.

Allows increased disclosure of tax information for enforcement purposes.

Directs the Secretary to impose standards for written tax opinions by tax practitioners.

Denies tax deductions for certain fines and penalties for violations of law and for interest paid on certain understatements of tax.

Sets forth rules for the application of the economic substance doctrine and imposes penalties for underpayments of tax due to transactions lacking economic substance.

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## **Actions Timeline**

- **Feb 17, 2007:** Introduced in Senate
- **Feb 17, 2007:** Sponsor introductory remarks on measure. (CR S2206-2216)
- **Feb 17, 2007:** Read twice and referred to the Committee on Finance.